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July 28, 2006

Mary L. Cottrell, Secretary Department of Telecommunications and Energy One South Station Boston, MA 02110

Re: NSTAR Electric Company, D.T.E. 06-40

Dear Secretary Cottrell:

Enclosed for filing in the above-referenced matter are the responses to the Information Requests set forth on the accompanying list.

Thank you for your attention to this matter.

Sincerely,

Robert N. Werlin

Enclosures

cc: Service List

Responses to Information Requests

CLC-1-29

CLC-1-32

DTE-4-11

DTE-5-1

DTE-5-2

DTE-5-3

MIT-2-1

MIT-2-2

MIT-2-3

MIT-2-4

MIT-2-5

MIT-2-6

MIT-2-7

MIT-2-8

MIT-2-9

MIT-2-10

MIT-2-13

MIT-2-16

MIT-2-18

RESA-1-4

Information Request: CLC-1-29

July 28, 2006

Person Responsible: Henry C. LaMontagne

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<u>Information Request CLC-1-29</u>

Please explain why certain Rate Design Worksheets (such as certain worksheets included in Attachment AG-2-2(a) through Attachment AG-2-2(c)) refer to "Settlement."

Response

The rate design worksheets used to respond to various information requests in this proceeding employ D.T.E. 05-85 models as the starting point for demonstrating how prices would change based upon the proposed merger. The titles and labels included with such worksheets were not changed from the originals for the purpose of these responses to information requests.

D.T.E. 06-40

Information Request: CLC-1-32

July 28, 2006

Person Responsible: Henry C. LaMontagne

Page 1 of 1

Information Request CLC-1-32

Please refer to the response to DTE-4-5. Please confirm that (1) the Companies currently recover supply related bad debt in Default Service/Basic Service rates (including the Basic Service Adder) and not through the Default Service adjustment factor paid by distribution service customers and (2) the merged company will do the same.

Response

The Companies confirm that: (1) supply-related bad debt is currently recovered in the Basic Service Adder component of the Basic Service Rate and not through the Default Service Adjustment factor paid by distribution service customers; and (2) the merged company will do the same.

Information Request: **DTE-4-11**

July 28, 2006

Person Responsible: Christine L. Vaughan/Counsel

Page 1 of 2

Information Request DTE-4-11

Refer to the Companies' response to information request DTE 2-3. Please explain why the Department cannot defer its decision with respect to the consolidation of depreciation rates until the Companies request permission to consolidate distribution rates.

Response

The Settlement Agreement approved by the Department in D.T.E. 05-85 permits the Companies to "set new uniform depreciation rates that are expense neutral at the function level..." when this merger is consummated. See Settlement Agreement at ¶ 2.6.2. Moreover, there is no relation between the consolidation of depreciation rates and possible future proposals with regard to the redesign of retail distribution rates. Depreciation expense is an element of a company's revenue-requirement, which, under the terms of the Settlement Agreement approved by the Department in D.T.E. 05-85, is established in accordance with the SIP formula described in paragraph 2.6 of the Settlement Agreement. Any rate design/consolidation of distribution rates permitted to be proposed by the Companies by the Settlement Agreement at paragraph 2.12 will be unaffected by any expense-neutral consolidation of depreciation rates.

A primary purpose of merging Commonwealth, Cambridge and Canal into Boston Edison is to combine the accounting records of the Companies and to reduce the number of regulatory required filings going forward. This provides some administrative savings as described in the response to Information Request DTE-3-4. This merger will result in only one set of accounting books that will need to be maintained. Under the terms of the merger, the assets and liabilities of Cambridge, Commonwealth and Canal will be transferred to Boston Edison. Under standard accounting practices, and unless otherwise ordered by the Department, all assets and accumulated depreciation would be transferred into the existing asset depreciation categories for Boston Edison and all assets would be depreciated using Boston Edison's depreciation rates. This is why the Department-approved Settlement Agreement provides for the development of new uniform rates that are expense-neutral.²

There will be some minor items that will need to be tracked separately. For instance, certain information that is required to prepare separate transition schedules will be maintained separately on a pre-merger basis on the books of NSTAR Electric.

For FERC purposes, the transmission rate will be calculated using Boston Edison's depreciation rates, absent approval of a depreciation rate change approved by the Department and FERC.

Information Request: DTE-4-11

July 28, 2006

Person Responsible: Christine L. Vaughan/Counsel

Page 2 of 2

Absent establishing those new depreciation rates, the depreciation expense after the merger would be different from what it would have been had the Companies not merged, since Boston Edison's depreciation rates differ from those of the other companies. Therefore, the revision of the Boston Edison depreciation rates ensures that the combination is <u>revenue neutral</u> and that neither customers as a whole, nor NSTAR Electric, gains or loses as a result of the merger.

Information Request: **DTE-5-1**

July 28, 2006

Person Responsible: Christine L. Vaughan

Page 1 of 1

Information Request DTE-5-1

Refer to the Companies's response to information request DTE-3-6. Please recalculate the distribution revenue requirement in the D.T.E. 05-85 rate case using a 10.5 percent return on equity.

Response

Please see Attachment DTE-5-1. The distribution revenue requirement using a 10.5 percent return on equity would be \$21.270 million as shown on page 1, line 6.

Attachment DTE-5-1
Page 1 of 24
D.T.E. 05-85
Cambridge Electric Light Company
Exhibit CAM-CLV-2
Page 1 of 10

D.T.E. 06-40

Distribution Revenue Requirement (\$ in Millions)

Line	Description	Dis	stribution	Reference
	Col. A		Col. B	Col. C
1	Operations & Maintenance Expense	\$	10.474	Exh. CLV-2, Page 3 line 11, Col. B
2	Depreciation & Amortization		3.940	Exh. CLV-2, Page 4 line 52, Col. H
3	Taxes Other than Income Taxes		1.325	Exh. CLV-2, Page 5 line 3, Col. G
4	Allowance for Income Taxes		1.502	Exh. CLV-2, Page 6 line 13, Col. B
5	Return on Rate Base		4.029	Exh. CLV-2, Page 7 line 23, Col. G
6	Distribution Revenue Requirement	\$	21.270	Sum of lines 1 thru 5
7	Operating Revenues		(21.071)	Exh. CLV-2, Page 8 line 24, Col. G
8	Revenue Deficiency (Surplus)	\$	0.199	line 6 + line 7
	If transfers not approved deficiency increases by these	amou	ınts:	
9	Revenue Working Capital Transferred to Basic Service		1.119	Exhibit CLV-5 Page 1 line 17, Col D
10	Bad Debts recovered through Basic Service		0.316	Exhibit CLV-3 Page 2 line 8, Col. C
11	Total Filing Deficiency	\$	1.634	line 8 + line 9 + line 10

D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-2 Page 2 of 10

Operations & Maintenance Expense (\$ in Millions)

Mathematical				Pe	er Books	Less	ess Less Transition, Energy		Less		
Col. A	Line	A/C	Description		Total	Transmission			Other	Distribution	Reference
1											
1	-			\$		\$ -	\$ 74.018	8 \$	-		
Total None Supply Exposes \$8,000 \$ \$ \$ \$ \$ \$ \$ \$ \$							-		-		
Section Commission Commis	3	557		e.		-			-		
1	4	560		Þ			\$ 89.031	1 3		0.055	Exhibit CAM-CLV-8 line 4
5 Station Exposene							-		-	-	
1	-						-		-	-	
1	8	563					-		-	-	
56									-	-	
1								8	-	-	
1					0.010	0.010			-		
1					0.012	0.012	_		_	_	
1	14				-		-		-	-	
77 Maintenance of Underground Lines 0,003 0,003 1							-		-	-	
18							-		-	-	
Promission 250.52 23.494 0.558					0.003	0.003	-		-	-	
Section Comment Comm		313			29.052	28 494	0.558	R			Exhibit CAM-CLV-8 line 19 Note C
2		580					-		-	0.284	
38 S8 S8 Overhead Line Exp 0.205 . . . 0.205 . . 0.205 .	21	581					-		-		
18	22					0.376	-		-		Note B - allocator = 45.743%
S85 Steel Lighting & Signal System 0.008							-		-		
Section Sect							-		-		Note B - allocator = 48.603%
S87 Customer Installation							-		-		
88 88/ss Misc. Distribution 0,345 0,143 - 0,001 0,202 No. P. allocence -41,3618 90 S89 Renis 0,508 0,210 - 0,023 No. P. allocence -43,3718 180 Maint Supervision 0,233 0,106 - 0,013 No. P. allocence -45,3718 180 Maint of Cylerhead 0,253 - 0,013 No. P. allocence -45,7438 180 Maint of Underground Lines 0,298 0,145 - 0,013 No. B. allocence -45,7438 180 Maint of Underground Lines 0,298 0,145 - 0,013 No. B. allocence -45,7438 180 Maint of Street Lights & signal 0,001 - - - - - 180 Maint of Meters 0,70 0,299 - - 0,001 2,881 Ballocence -41,3618 No. B. allocence -41,3618 180 Maint of Meters 0,029 - - 0,001 2,881 Ballocence -41,3618 No. B. allocence -41,3618						-			-		
1						0.143	-		0.001		Note B - allocator = 41.361%
1 50							-		-		
Nation Station Company Compa							-		-		
Maint of Overhead 0.253							-		-		
Maint of Underground Lines 0.298 0.145 - - 0.158 Note B - allocator = 48.603% Sept. Maint of Circumstanders - - - - - - Maint of Street Lights & signal 0.001 - - - - - Maint of Miscross - - - - - Maint of Miscross - - - - - Maint of Miscross - - - Miscross - - - - Miscross						0.114	-		-		Note B - allocator = 45.745%
Maint of Nerce Lights & signal 0.001						0.145	-		_		Note B - allocator = 48.603%
Maint of Meters	35	595	Maint of Line Transformers		-	-	-		-	-	
Main of Misc Distribution							-			0.001	
Distribution							-		-	- 0.041	N. B. W
Supervision		398							0.001		
Month Mont		901				-	-		- 0.001		EXHIBIT CAMPCE V-8 IIIC 37
Month Mont						_	-		-		
Misc. Customer Accounts 1.877 -						-	-		-		
Customer Accounts						-	-		-		
Supervision		905				-	-				In this continue of
Customer Assistance		007				-			-	1.8//	Exhibit CAM-CLV-8 line 45
Misc. Sales Expense Misc. Sales Expense							4.188	R		-	Collected in DSM
Customer Service	48	909	Informational & Instructional							0.012	
Supervision 0.043 0.001 0.001	49	910									
Part						-	4.188	8	0.042		Exhibit CAM-CLV-8 line 50
Sales Sale											
Sales											
Sales			Misc. Sales Expense								
921 Office Supplies & Expenses 0.632 0.116 0.000 0.516 Note A - allocator = 18.3230% & Dues/Memberships 88 922 Admin Expenses Transferred (0.317) (0.058)	55				0.070	-	-		-	0.070	Exhibit CAM-CLV-8 line 55
Section	56	920	Admin & General Salaries		1.612	0.295			0.000	1.317	Note A - allocator = 18.3230% & Dues/Memberships
923 Outside Services 0.316 0.058 - 0.258 Note A - allocator = 18.3230% 60 924 Property Insurance 0.035 0.018 - 0.017 Note A - allocator = 15.1886% 61 925 Injuries & Damage 0.292 0.054 - 0.239 Note A - allocator = 15.3230% 62 926 Employee Benefits 3.492 0.640 1.217 1.635 Transmission Allocation @ 18.3230% & 9.26128, 129 & adj 63 928 Regulatory Commission Expense 0.485 0.166 - 0.319 Note A - allocator = 18.3230% & 200 64 930 General Ad Expense 0.107 0.006 0.007 0.094 Trans less gen adv Allocation @ 18.3230% & Dues/Memberships 65 931 Rents 0.339 0.062 0.000 0.277 Note A - allocator = 18.3230% & Dues/Memberships 66 935 Maint of General									0.000		
Property Insurance 0.035 0.018 - 0.017 Note A - allocator = 51.1886%									-		
1 925 Injuries & Damage 0.292 0.054 - 0.239 Note A - allocator = 18.3230% 2 926 Employee Benefits 3.492 0.640 1.217 1.635 Transmission Allocation @ 18.3230% & 926128, 129 & adj 3 928 Regulatory Commission Expense 0.485 0.166 - 0.319 Note A - allocator specific assignment of FERC Assessments 4 930 General Ad Expense 0.107 0.006 0.007 0.094 Trans less gen adv Allocation @ 18.3230% & Dues/Memberships 5 931 Rents 0.339 0.062 0.000 0.277 Note A - allocator = 18.3230% & Dues/Memberships 6 935 Maint of General -											
Proceed Series Proceeding Proceeding Proceeding Proceeding Proceeding Proceeding Proceeding Proceeding Proceeding Proceding Proceding Proceding Proceeding Pr									-		
63 928 Regulatory Commission Expense 0.485 0.166 - 0.319 Note A - allocator specific assignment of FERC Assessments							1.217	7			
65 931 Rents 0.339 0.062 0.000 0.277 Note A -allocator = 18.3230% & Dues/Memberships 66 935 Maint of General	63	928	Regulatory Commission Expense		0.485	0.166			-	0.319	Note A - allocator specific assignment of FERC Assessments
66 935 Maint of General 67 Admin 6.995 1.357 1.217 0.007 4.413 Exhibit CAM-CLV-8 line 67											
67 Admin 6.995 1.357 1.217 0.007 4.413 Exhibit CAM-CLV-8 line 67					0.339	0.062			0.000	0.277	Note A - allocator = 18.3230% & Dues/Memberships
68		933			6.995	1.357	1 213	7	0.007	4.413	Exhibit CAM-CLV-8 line 67
69 Total 136.470 \$ 31.358 \$ 95.595 \$ 0.050 \$ 9.468 line 4 + 19 + 39 + 45 + 50 + 55 + 67	68										
	69		Total		136.470	\$ 31.358	\$ 95.595	5 \$	0.050	\$ 9.468	line 4 + 19 + 39 + 45 + 50 + 55 + 67

Note A Transmission is allocated using the Plant Allocator, the Wages & Salaries allocator, or specific assignment. The Allocators are shown on Exh CAM-CLV-9, Page 1, lines 11 and 1 Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2064-5, paragraph

The transmission allocator from that exhibit is shown in the reference column and are described on tariff sheets 2051 and 205

Note C $\,$ Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2064, paragraph σ

Note B Transmission is allocated the 13.8KV portion of distribution. The amount is calculated by multiplying the total balance in Col.C by the allocators on Exh CAM-CLV-9, Page 4, Lines 1 thru
The transmission allocator from that exhibit is shown in the reference column
Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2064, paragraph I

D.T.E. 06-40 Attachment DTE-5-1 Page 3 of 24

D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-2 Page 3 of 10

Operations & Maintenance Expense Adjustments (\$ in Millions)

Line	Description	A	mount	Reference
	Col. A	(Col. B	Col. C
1	Test Year Distribution O & M	\$	9.468	Page 2 line 69, Col. G
2	Proforma O & M Adjustments:			
3	Labor		0.274	Exhibit CLV-3 Page 1 line 14, Col D
4	Bad Debts		0.112	Exhibit CLV-3 Page 2 line 9, Col. C
5	Rate Case Expense		0.019	Exhibit CLV-3 Page 3 line 9, Col. B
6	Insurance		0.013	Exhibit CLV-3 Page 4 line 10, Col. G
7	Inflation		0.154	Exhibit CLV-3 Page 5 line 9, Amount
8	Service Guarantee Fees		(0.000)	per workpaper
9	Security, Safety and Quality Improvement Program		0.435	per workpaper
10				
11	Rate Year O & M eligible for recovery	\$	10.474	Sum of Lines 1 through 10

D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-2 Page 4 of 10

Depreciation & Amortization Expense (\$ in Millions)

Line#	A/C	Description		r Books Asset		Less nsmission Balance		histribution Balance	Test Year Depreciation Rate	Proposed Depreciation Rate	Rate Year Deprec & Amort	Reference	Original Cost Deprec Sch Reference
	Col. A	Col. B		Col. C		Col. D		Col. E	Col. F	Col. G	Col. H	Col. I	Col. J
1		Intangible Plant					(C	Col.C - Col.D)			(Col.G * Col.E)		
2		Intangible Transmission											
3		Intangible Software 5 year		0.612		0.112		0.500	20.00%	16.19%	0.081	Note B	
4		Intangible Software 10 year		1.839		0.337		1.502	20.00%	9.88%	0.148	Note B	
5	i	Intangible Software 15 year		0.233		0.043		0.190	20.00%	Fully Depr		Note B	
6	303	Intangible Plant/Software Amortization		2.684		0.492		2.192	0.600	0.261	0.229	FF1, p.208, 1.1, col.b	
7													
8		Transmission	\$	33.901	\$	33.901	\$	-	NA	NA		FF1, p.208, 1.7, col.b	
9													
10		Distribution Plant											
11	360	Land & Land Rights Structures & Improvements	\$	0.238	\$	0.114	\$	0.124	2 699/	1 100/	\$ -	Note A Note A	
12 13	361 362	Structures & Improvements Station Equipment		2.305 36.277		2.195 16.594		0.110 19.683	2.68% 2.85%	1.19% 2.09%	0.001 0.411	Note A	
13	363	Storage Battery Equipment		30.277		10.394		19.063	2.83%	2.09%	0.411	Note A	
15	364	Poles, Towers & Fixtures		2.795				2.795	4.24%	2.90%	0.081		
16	365	OH Conductors & Devices		5.850				5.850	4.21%	2.74%	0.160		
17	366	UG Conduit		19.963		8.504		11.459	2.27%	2.74%	0.314	Note A	
18	367	UG Conductors & Devices		47.994		24.525		23.469	2.98%	3.57%	0.838	Note A	Per
19	368	Line Transformers		4.107				4.107	3.08%	3.38%	0.139		Deprec Sch
20	369.1	Services - Overhead		1.770				1.770	6.38%	2.46%	0.044	Note C	1.861
21	369.2	Services - Underground		4.259				4.259	2.71%	2.61%	0.111	Note C	4.478
22	370	Meters		3.505				3.505	4.14%	6.54%	0.229		
23	373	Street Lighting		0.838			_	0.838	5.57%	7.34%	0.061	Adjustment \$2.960 to reflect '05 sale	
24		Total Dist Plant	\$	129.901	\$	51.933	\$	77.968		3.07%	\$ 2.390	FF1, p.208, l.8, col.b	
25		a											_
26	200	GENERAL PLANT		0.201		0.052		0.220				V · P	Per
27	389 390	Land & Land Rights		0.291 2.363		0.053 0.433		0.238 1.930	1.91%	1.76%	0.034	Note B Note B & Note C	Deprec Sch 2.569
28 29	370	Structures & Improvements - Major Structures & Improvements - Minor		0.041		0.433		0.033	1.91%	2.60%	0.034	Note B & Note C	0.044
30	390.1	Structures & Improvements - Improvements - Leaseholds		0.005		0.007		0.004	1.5170	0.90%	0.000	Note B & Note C	0.005
31	391	Office Furniture & Equipment - Furn		0.308		0.056		0.252	3.64%	6.89%	0.007	Note B & Note C	0.295
32		Office Furniture & Equipment - Comp		0.278		0.051		0.227	3.64%	21.91%	0.050	Note B & Note C	0.266
33	392	Transportation Equipment		-		-		-			=	Note B	
34	393	Stores Equipment		0.018		0.003		0.015	4.53%	5.01%	0.001	Note B	
35	394	Tools, Shop & Garage Equipment		0.016		0.003		0.013	3.73%	512.13%	0.065	Note B	
36	395	Laboratory Equipment		-		-		-	3.08%		=	Note B	
37	396	Power Operated Equipment		-		-		=			Ξ	Note B	
38	397	Communication Equipment		0.007		0.001		0.006	3.75%	11.77%	0.001	Note B	
39	398	Miscellaneous Equipment		0.031		0.006		0.026	3.65%	28.83%	0.007	Note B	
40	399	Other Tangible Property	e	2.250	¢.	0.615	e	2.742	4.020/	6 100/	e 0.176	Note B	
41		TOTAL GENERAL	\$	3.358	\$	0.615	\$	2.743	4.03%	6.19%	\$ 0.176	FF1, p.208, 1.9, col.b	
42	ĺ	TOTAL D	•	1.50.045	Φ	06.041	•	02.004			A 2706	I	
43		TOTAL Depreciation	\$	169.845	\$	86.941	\$	82.904			\$ 2.796	Line 6 + Line 8 + Line 24 + Line 41	
44		Amortization											
45 46	182	Amoruzauon											
47	182												
48	186	Goodwill							40 years		0.489	A/C 407320 Exh. CLV-11, P.1	
49	186	Cost to Achieve non-deductible amort							10 years		0.011	A/C 407330 Exh. CLV-11, P.1	
50	186	Cost to Achieve deductible amort							10 years		0.644	A/C 407340 Exh. CLV-11, P.1	
51		Subtotal: Amortization							-		\$ 1.144	Sum of Lines 46 through 50	
	Dogori			160.045	d.	06.041	¢.	92 004			\$ 3.940	Line 43 + Line 51	
52	Recov	erable Depreciation and Amortiza	3	169.845	\$	86.941	\$	82.904			\$ 3.940	Line 43 + Line 31	
53													
54	Test Ves	r Depreciation and Amortization											
55	404060										0.433	Exh CLV-11, P.1	
56	403160	Depreciation - Transmission										Exh CLV-11, P.1	
57	403150	Depreciation - Transmission Depreciation - Distribution									4.068	Exh CLV-11, P.1	
58	403180	Depreciation - General									0.088	Exh CLV-11, P.1	
59	403140	Depreciation - General : PCs									- -	Exh CLV-11, P.1	
60	404020	Amortization - General Leaseholds									-	Exh CLV-11, P.1	
61	407	Amortization - Goodwill, CTA and Other									1.144	Exh CLV-11, P.1	
62		Subtotal Plant Depreciation and Amortiza		test year							\$ 6.599	Sum of Lines 55 through 61	
		•				_						-	

Note A Transmission is allocated the 13.8KV portion of distribution. See Exh CAM-CLV-9, Page 4, Lines 1 thru 13 Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2058, paragraphs A.1.b

Note B The transmission allocation of Intangibe and General plant is made using the Wages and Salaries Allocator shown on Exh CAM-CLV-9, Page 1, line 16 being 18.323% This allocator is multiplied by the asset in Column C to arrive at the transmission portion in Column D Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2059, paragraphs A.1.c, and sheets 2051-2052

Note C Accounts 369,390 & 391 are not segregated in the FORM 1 accounts and the original costs from the depreciation study in Col. J have been used to allocate the amounts

D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-2 Page 5 of 10

Sum of Line 15 through Line 17

Taxes Other Than Income Taxes (\$ in Millions)

		Taxe	s Other T	han I	ncome	Taxes (\$ in M	illions)				
							Plu	IS			
		Pe	er Books	L	ess	Less Transition, Energy Supply, DSM,	Rate	Year		Form 1	
ine Acct	Description	E	Balance	Trans	mission	PAM	Adjust	ment	Di	stribution	Reference
Col. A	Payroll Taxes	(Col. C	Co	ol. D	Col. E	Col.	F		Col. G	Col. H
I	Payroll Taxes	\$	0.404		0.076			0.011	\$	0.340	Line 13
	Line 3 Col. D Col F = Line 1 Col. C * Labor Increase Exh CLV- Property Taxes						CLV-9, Pa	ıge 1, Liı	ne 17 be	eing 50.246%	Transmission Allocation @ 18.3230% ISO New England Tariff, Sheet 2064,
408	Property Taxes	\$	1.805		0.924			0.105	\$	0.986	Line 5
	Line 8 Col. D	Line 2	2 * 51.1886%						•		Transmission Allocation @ 51.1886%
	Line 8 Col. F	Exhibit	CAM-CLV-4 line	e 13							ISO New England Tariff, Sheet 2064,
ı	Taxes Other Than Income Taxes	\$	2.210	\$	1.000	\$ -	\$	0.116	\$	1.325	Line 1 + Line 2
	Test year detail										
4 408380	Other Municipal Property Tax		1.805								Exh. CLV-11, Page 1
5	Total Utility Property Taxes (excludes non-utility)		1.805341								
6 408000	Allocated Payroll Tax expenses		0.070								Exh. CLV-11, Page 1
7 408500	Capitalization Transferred Credits										Exh. CLV-11, Page 1
8 408570	Reallocation Offset		0.050								Exh. CLV-11, Page 1
9 408880 10 408902	Payroll Taxes - Transferred Credit Inter Co reclass Payroll Taxes		(0.088) 0.062								Exh. CLV-11, Page 1 Exh. CLV-11, Page 1
11 408910	Payroll Tax Transfer to Service Co		0.002								Exh. CLV-11, Page 1
12 408920	Payroll Taxes Billed from Service Co		0.312								Exh. CLV-11, Page 1
13	Total Payroll Tax		0.404								Sum of Line 6 through Line 12
14	Total Account 408 "Utility ther Taxes" (excludes non-utility)		2.210								Line 5 + Line 13
	Reconciliation to FORM 1										
15											FERC Form 1s
1.5	FERC Form 1 Annual 2004 P.114, Line 14		2.102								PERC FORM IS
16	Less FERC Form 1 second Quarter 2004 P.114, Line 14		2.102 (1.016) 1.123								FERC Form 1s

2.210

Total Account "Other Taxes" FORM 1 periof July 2004 - June 2

18

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Allowance for Income Taxes (\$ in Millions)

Line	Description	A	mount	Reference
	Col. A		Col. B	Col. C
1	Equity Return Requirement on Distribution Rate Base	\$	2.294	Page 7, Line 22, Col. G
2	Goodwill Amortization		0.489	Page 4, Line 48, Col. H
3	Cost to Achieve Amortization - Non-Deductible		0.011	Page 4, Line 49, Col. H
4	Depreciation on Basis Differences		0.080	per workpaper
5	ARAM excess reserves amortization		(0.186)	per workpaper
6	Amortization of Investment Tax Credits		(0.057)	A/C 406, CLV-11, P.1
7	Amortization of Investment Tax Credits - Transmission Allocation		0.029	- Line 6 * 51.1886%
8	Equity Return after Adjustments	\$	2.659	Sum of Lines 1 through 7
9	Tax Factor (T / (1 - T))		0.6454	Line 24
10	Income taxes on return required	\$	1.716	Line 8 * Line 9
11	ARAM Excess reserve amortization		(0.186)	Line 5
12	Net Amortization of Investment Tax Credits		(0.028)	Line 6 + Line 7
13	State & Federal income taxes	\$	1.502	Sum of Lines 10 through 12
14				
15	Taxable Income		100.000%	
16	Massachusetts Corporate Franchise Tax		6.500%	
17	Taxable Income After Corporate Franchise Tax		93.500%	Line 15 - Line 16
18	Federal Tax Rate		35.000%	
19	Federal Corporate Income Tax		32.725%	Line 17 x Line 18
20	Massachusetts Corporate Franchise Tax		6.500%	
21	State and Federal Taxes (T)		39.225%	Line 19 + Line 20
22				
23	Net Income After Taxes on Income (1-T)			1 - line 21
24	State and Federal Taxes / Net Income After Taxes on Income		0.6454	Line 21 / Line 23

Note A The transmission allocation of ITC is made using the Plant Allocator shown on Exh CLV-9, Page 1, line 11 being 51.2% Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2064, paragraph D & Sheet 2052

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Return on Rate Base (\$ in Millions)

			P	er Books		Less	7	Less Transition, Energy		Less			
Line	Acct	Rate Base		Total	Tr	ansmission	Sı	upply, DSM, PAM		Other	Dis	stribution	Reference
	Col. A	Col. B		Col. C		Col. D		Col. E		Col. F		Col. G	Col. H
1		Gross Utility Plant in Service	\$	169.845	\$	86.941	\$	-	\$	-	\$	82.904	Page 4, Line 52, Cols. C, D, E
2													•
3		Accum. Amortization - Intangible		0.877		0.161						0.717	FF1, p.208, l.1, Col.C & Note B
4		Accum. Depreciation - Transmission		9.429		9.429						-	FF1, p.208, l.7, Col.C
													FF1, p.208, l.8, Col.C adjusted for
5		Accum. Depreciation - Distribution		46.603		18.390							streetlight sale & Note A
6		Accum. Depreciation - General - Other		0.012		0.002						0.010	FF1, p.208, l.9, Col.C & Note B
7		Total Depreciation & Amortization	\$	56.921	\$	27.982	\$	-	\$	-	\$	28.939	Sum Lines 3 through 6
8													-
9		Net Plant	\$	112.924	\$	58.959	\$	-	\$	-	\$	53.965	Sum Lines 1 + 7
10													-
11		Working Capital								1.932		1.932	Exhibit CLV-5 Page 1 Line 10
12	154	Materials and Supplies		1.574		0.193						1.381	Trans 13.8 kv Allocator 39.15%, Note C
13													
14	252010	Construction/temp service advances		(0.452)								(0.452)	FF1, p.113, l.56, Col c
15	253010	Uncashed Checks		-								-	FF1, p.269, l.1 Col f
16	253310	Contributions In Aid of Construction		(0.036)								(0.036)	per General Ledger
17	190	Accumulated Deferred Income Taxes		4.046		0.652		2.830		0.107		0.457	Exhibit CLV-6 Line 9, Note D
18	282	Accumulated Deferred Income Taxes		(25.874)		(13.245)		-		-		. ,	Exhibit CLV-6 Line 13, Note D
19	283	Accumulated Deferred Income Taxes		(10.155)		(1.267)		(6.997)		(0.960)		(0.930)	Exhibit CLV-6 Line 20, Note D
20													•
21					Ra	te Base					\$	43.688	ε
													Exhibit CLV-2, Page 9, Col E, Lines 2
22						uity at				e 21 x 5.25%	\$	2.294	r ····
23					To	tal Return at		9.22%	Lin	e 21 x 9.22%	\$	4.029	Exhibit CLV-2, Page 9, Col E, Line 4

Note A Transmission is allocated the 13.8KV portion of distribution. The Accumulated Depreciation amount is calculated on Exh CAM-CLV-9, Page 4, Line 30

Note B The transmission allocation of Intangibe and General plant is made using the Wages and Salaries Allocator shown on Exh CAM-CLV-9, Page 1, line 16 Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2059, paragraph A.1.e

 $Note \ C \quad Allocation \ is \ per \ the \ ISO \ New \ England \ Tariff \ Schedule \ 21, \ Original \ Sheet \ 2060-61, \ paragraph \ A.1.j$

 $Note \ D \quad Allocation \ is \ per \ the \ ISO \ New \ England \ Tariff \ Schedule \ 21, \ Original \ Sheet \ 2059, \ paragraph \ A.1.f$

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Distribution Revenues (\$ in Millions)

				Per Books		Less	Transition, Energy Supply,			Less			
Line	A/C	Description		Balance	Т	ransmission		DSM, PAM		Other	D	istribution	Reference
	Col. A	Col. B		Col. C		Col. D		Col. E	-	Col. F		Col. G	Col. H
1		Sales of Electricity											
2	440	Residential Sales	\$	25.480	\$	4.053	\$	13.670	\$	-	\$	7.756	Exhibit CLV-7 line 25
3	442	Commercial and Industrial Sales		121.197		21.420		87.227		-		12.550	Exhibit CLV-7 line 48
4	444	Public Street and Highway Lighting		1.401		0.146	_	0.511		0.454		0.291	Exhibit CLV-7 line 58
5		TOTAL Sales to Ultimate Consumers	\$	148.078	\$	25.619	\$	101.409	\$	0.454	\$	20.597	Sum of Lines 2 through 4
6	447	Sales for Resale	_	6.059		-	_	6.059				-	Exhibit CLV-7 line 60
7		TOTAL Sales of Electricity	\$	154.138	\$	25.619	\$	107.468	\$	0.454	\$	20.597	Line 5 + Line 6
8	449.1	(Less) Provision for Rate Refunds		1.275		-				1.275		-	Exhibit CLV-7 line 61
9		TOTAL Revenues Net of Prov. for Refunds	\$	152.863	\$	25.619	\$	107.468	\$	(0.821)	\$	20.597	Line 7 - Line 8
10		Other Operating Revenues											
11	450	Forfeited Discounts	\$	0.199	\$	-	\$	-	\$	-	\$	0.199	Exhibit CLV-7 line 62
12	451	Miscellaneous Service Revenues		-		-		-		-		-	Exhibit CLV-7 line 86
13													
14	454	Rent from Electric Property		0.603		0.497		-		-		0.106	Exhibit CLV-7 line 98
15	456	Other Electric Revenues		7.471		4.621		2.741				0.110	Exhibit CLV-7 line 115
16		TOTAL Other Operating Revenues	\$	8.273	\$	5.118	\$	2.741	\$	-	\$	0.414	Sum of Lines 11 through 15
17		TOTAL Electric Operating Revenues	\$	161.136	\$	30.737	\$	110.209	\$	(0.821)	\$	21.011	Line 9 + Line 16
18		Revenue Credits/Adjustments											
19													
20	417	Miscellaneous Revenues		-		-		-		-		-	Exhibit CLV-7 line 6
21 22		Service Fees										0.060	per workpaper
23		Total Revenue Credits/Adjustments									_	0.060	Sum of Lines 19 through 22
24		Distribution Revenues and Revenue Credit	\$	161.136	\$	30.737	\$	110.209	\$	(0.821)	\$	21.071	Line 17 + Line 23

25		Reconciliation to FERC FORM 1			Less:	Add:		
26			12 r	months	2nd Quarter	2nd Quarter		12 months
27			ended	12/31/04	2004	2005	е	nded 6/30/05
28	440	Residential Sales	\$	24.373	\$ 12.055	\$ 13.162	\$	25.480
29	442	Commercial and Industrial Sales		116.377	54.886	57.898		119.389
30	442	Commercial and Industrial Sales		2.095	1.058	0.771		1.809
31	444	Public Street and Highway Lighting		1.687	0.830	0.543		1.401
32	TOTAL	SALES TO ULTIMATE CUSTOMERS		144.532	68.829	72.374		148.078
33	447	Sales for Resale		6.508	3.530	3.082		6.059
34	TOTAL	SALES OF ELECTRICITY		151.041	72.359	75.456		154.138
35	449.1	(Less) Provision for Rate Refunds		1.230	(0.056)	(0.012)		1.275
36	TOTAL	REVENUE NET OF PROVISION		149.810	72.415	75.468		152.863
37								-
38	450	Forfeited Discounts		0.195	0.088	0.092		0.199
39	451	Miscellaneous Service Revenues						-
40								
41	454	Rent from Electric Property		0.613	0.319	0.309		0.603
42	456	Other Electric Revenues		7.264	2.307	 2.514		7.471
43	TOTAL	ELECTRIC OPER REVENUES	\$	157.881	\$ 75.129	\$ 78.383	\$	161.136

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COST OF CAPITAL (\$ in Millions)

Per book

Line	Class of C	Capital	1	er Book Amount 30/2005		rcent of	Cost	Rate of Return	Reference
		Col. A		Col. B	(Col. C	Col. D	Col. E	Col.F
1	Long Ter	m Debt	\$	24.966		50.00%	7.94%	3.97%	CLV-2 Page 10
2	Preferred	& Preference Stock		-		0.00%	0.00%	0.00%	
3	Common	Equity		88.109		50.00%	10.50%	5.25%	Line 12
4	Total * Note: Ec	quity ratio is high due to plans to r	\$	113.075	TE 5	100.00% 0% / 50% i	ratio used	9.22%	Sum of Lines 1 through 3
	11000120	fairly ratio is might due to praise to r		dillies. 2		lance @	and about		
	A/C #	TOTAL COMMON EQUITY				30/2005	Reference		
5	201	Common Stock			\$	8.665	FF1, P. 112, line 2, Co	ol. C	
6	207	Premium				54.132	FF1, P. 112, line 6, Co	ol. C	
7	216	Retained Earnings				25.312	FF1, P. 112, line 11 +	line 12, Col. C	
8	438	Common Stock Dividends				-			
9		TY Per Book Common Equity			\$	88.109	Sum L. 5 thru 8		
10		Post Test Year Activity:							
11		Special Dividend			\$				

\$88.109 L. 9 + L. 11

Total Common Equity

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Cost of Long Term Debt (\$ in Millions)

Line 1 2 3	Face Amount A/C # Col. A 224308 224310	Series Col. B Senior Note Series H Total Long Term Debt	Rate Col. C 7.620% 8.700%	Date Issued Col. D 11/24/99 03/01/92	Maturity Date Col. E 11/01/06 03/01/07	Principal Amount Col. F \$ 20.000 5.000 \$ 25.000	Carrying Value Col. G \$ 19.972 \$ 4.994 \$ 24.966	Annual Interest & Amort. Expense Col. H \$ 1.545 0.438 \$ 1.984	Embedded
4			Face	Una	amortized Balan	ce			
5			Amount	Premium or	Issue	Call	Carrying		
6		Series	Outstanding	(Discount)	Expense	Expense	Value		
7	224308	Senior Note	\$ 20.000	\$ -	\$ (0.028)	\$ -	\$ 19.972		
8	224310	Series H	5.000		(0.006)		4.994		
9		Total	\$ 25.000	\$ -	\$ (0.034)	\$ -	\$ 24.966		
10 11			Total	Interest & Issue Total	Amortization				
12			Amortization	Annual	& \	\			
13		Series	Expense	Interest	Interest				
14 15		Senior Note Series H	\$ 0.021 \$ 0.003	\$ 1.524 \$ 0.435	\$ 1.545 \$ 0.438				
16		Total	\$ 0.025	\$ 1.959	\$ 1.984				
10		Total	<u>♥ 0.025</u>	ψ 1. <i>)</i> 3 <i>)</i>	ψ 1.70 1				
17			, ,	nium or (Disco	uint)		Issue Expens	e e c	Call Premium
18			Original	Unamortized	vuiit)	Original	Unamortized		Unamort.
19			Prem. or	Balance at	Annual	Issue	\ Balance	Annual	Original Balance at Annual
20		Rate	(Discount)	6/30/2005	Amortization	Expenses	6/30/2005	Amortization	Premium 6/30/2005 Amort
21	181020	Senior Note	\$ -	\$ -	\$ -	\$ 0.149	0.028	0.021	\$ - \$ - \$ -
22	181060	Series H				0.049	0:006	0.003	
23		Total	\$ -	\$ -	<u>-</u>	\$ 0.199	\$ 0.034	\$ 0.025	<u>\$ -</u> <u>\$ -</u> <u>\$ -</u>

Note A Balances for the indicated accounts can be found on CLV-10

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5.644% Line 14 / Line 1

Distribution Labor Increases (\$ in Millions)

Line	Description		Union	_1	Non-Union	 Total	Reference
	Col A		Col B		Col C	Col D	Col E
1	Total Test Year Distribution Payroll Costs	\$	2.168	\$	2.678	\$ 4.846	Exhibit CLV-9, Page 3 Line 40 & 41
2	Annualized Test Year Wage Increases	_					
3	Effective Date		05/29/05		05/05/05		Per Contract
4	Percent Increase		3.00%		3.00%		Per Contract
5	Days from Jul 1 to next effective date		319		307		Line 10 - July 1, 2005
6	Increase to Annualize	\$	0.057	\$	0.068	\$ 0.124	Line 1 * Line 4 * Line 5 / 365 days
7	Annualized Test Year Base Wages	\$	2.225	\$	2.746	\$ 4.971	Line 1 + Line 6
8	Post Test Year Wage Increases						
9	General Wage Increase						
10	Effective Date		05/16/06		05/04/06		Per Contract
11	Percent Increase		3.00%		3.00%		Per Contract
12	Wage Increase	\$	0.067	\$	0.082	\$ 0.149	Line 7 * Line 11
13	Rate Case Base Wage Level	\$	2.292	\$	2.828	\$ 5.120	Line 7 + Line 12
14	Total Payroll Adjustment	\$	0.124	\$	0.150	\$ 0.274	Line 13 - Line 1

15 Payroll Percentage Adjustment

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Cambridge Electric Light Company
Exhibit CAM-CLV-3
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D.T.E. 06-40

Bad Debt Adjustment (\$ in Millions)

		Retail			Experience	
Year	R	Revenues	A	mount	Rate	Reference (Col. B)
Col. A		Col. B		Col. C	Col. D	Col. E
2003	\$	130.596	\$	0.602	0.4611%	per workpaper
2004		146.799		0.388	0.2643%	per workpaper
2005		148.078		0.508	0.3431%	Exhibit CLV-2 Page 8 line 5
Average rate	\$	141.824	\$	0.499	<u>0.3521%</u>	Average of lines 1 - 3
Rate Year	\$	148.277	\$	0.522	0.3521%	Col C = Col B * Col D
Less: Test Year Bad Debt Expense	•			0.094		Exhibit CLV-2, page 2, line 43, Col. G
Bad Debt Adjustment			\$	0.428		Line 5 - Line 6
,	Φ	90.604	Φ	0.216	0.25210/	
	Þ	89.094	т.		U.3521%	Exh CLV-7 Page 3 line 117, Col. E
Net Bad Debt Adjustment			\$	0.112		Line 7 - Line 8
Note						
Rate Year Revenues						
Test year Revenues		148.078				Line 3 above
Rate Deficiency		0.199				Exh. CLV-2, Page 1, Line 8
	Col. A 2003 2004 2005 Average rate Rate Year Less: Test Year Bad Debt Expense Bad Debt Adjustment Less Bad Debts for Basic Service Net Bad Debt Adjustment Note Rate Year Revenues Test year Revenues	Col. A 2003 2004 2005 Average rate \$ Rate Year Less: Test Year Bad Debt Expense Bad Debt Adjustment Less Bad Debts for Basic Service Net Bad Debt Adjustment Note Rate Year Revenues Test year Revenues	Year Revenues Col. A Col. B 2003 \$ 130.596 2004 146.799 2005 148.078 Average rate \$ 141.824 Rate Year \$ 148.277 Less: Test Year Bad Debt Expense * 89.694 Less Bad Debts for Basic Service \$ 89.694 Net Bad Debt Adjustment * 89.694 Note Rate Year Revenues * 148.078 Test year Revenues 148.078	Year Revenues A Col. A Col. B Col. B 2003 \$ 130.596 \$ 2004 146.799 2 2005 148.078 A Average rate \$ 141.824 \$ Rate Year \$ 148.277 \$ Less: Test Year Bad Debt Expense \$ Less Bad Debts for Basic Service \$ 89.694 \$ Net Bad Debt Adjustment \$ Note Rate Year Revenues \$ Test year Revenues 148.078	Year Revenues Amount Col. A Col. B Col. C 2003 \$ 130.596 \$ 0.602 2004 146.799 0.388 2005 148.078 0.508 Average rate \$ 141.824 \$ 0.499 Rate Year \$ 148.277 \$ 0.522 Less: Test Year Bad Debt Expense 0.094 Bad Debt Adjustment \$ 0.428 Less Bad Debts for Basic Service \$ 89.694 \$ 0.316 Net Bad Debt Adjustment \$ 0.112 Note Rate Year Revenues \$ 148.078 Test year Revenues 148.078	Year Revenues Amount Rate Col. A Col. B Col. C Col. D 2003 \$ 130.596 \$ 0.602 0.4611% 2004 146.799 0.388 0.2643% 2005 148.078 0.508 0.3431% Average rate \$ 141.824 \$ 0.499 0.3521% Rate Year \$ 148.277 \$ 0.522 0.3521% Less: Test Year Bad Debt Expense 0.094 0.316 0.3521% Less Bad Debts for Basic Service \$ 89.694 \$ 0.316 0.3521% Net Bad Debt Adjustment \$ 0.112 \$ 0.112 Note Rate Year Revenues Test year Revenues Test year Revenues 148.078

2,004

5.49

5

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Rate Case Expense Adjustment (\$ in millions)

Line	Description			Amount	Reference		
	Col. A	L		Col. B	Col. C		
1	Estimated Costs:						
2	Ratc Case Filing/Legal		\$	2.400			
3	PBR Filing/Legal			0.920			
4	Total Estimated Costs		\$	3.320	Sum L. 2 thru 3		
5	NSTAR Labor Allocator			2.911%			
6	Allocated Estimated Rate	e Case Costs	\$	0.097	line 4 * line 5		
7	Projected Annual Cost		\$	0.019	line 6 / line 20		
8	Actual Rate Case Expens	se in Test Year					
9	Proforma Adjustment		\$	0.019	line 7 - line 8		
10		Calculation of Perio	od Bety	ween Cases			
11	D.P.U./D.T.E.				# of Days		
12	Rate Case	Date			Between		
13	Docket #	Filed	[Cases		
14	89-109	May 17,	1989				
15	92-250	November 1	6, 199	2	1,279		
16	97-111	November 1	9, 199	7	1,829		
17	Current Filing	November	1, 2005	5	2,904		

Average Days between last 3 rate cases (Lines 15 to 17)

18

19

20

Years (Line 18 / 365)

Years - Rounded

D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-3 Page 4 of 5

Insurance Adjustment (\$ in Millions)

				Per Books		Less		Less insition, Energy supply, DSM,	R	Plus ate Year		Less			
Line	A/C	Description		Balance	Т	ransmission		PAM	Ad	ljustment	Tra	nsmission	Di	stribution	Reference
-	Col. A	Col. B		Col. C	-	Col. D	-	Col. E	-	Col. F		Col. G		Col. H	Col. I
						(Note A)									
1	924	Subtotal	\$	0.035		0.018	\$	-	\$	0.003		(0.001)	\$	0.019	Note B & C
		Injuries & Damages													
2	925010	General Liability Claims	\$	(0.004)	\$	(0.001)			\$	(0.004)	\$	0.001	\$	(0.006)	Note B & C
3	925030	Motor Vehicle													Note B & C
4	925050	Excess Liability		0.084		0.015				0.014		(0.003)		0.080	Note B & C
5	925060	Directors and Officers		0.022		0.004				0.005		(0.001)		0.022	Note B & C
6	925080	Workers Comp		0.022		0.004				(0.001)		0.000		0.017	Note B & C
7	925710	billed by service company		0.168		0.031						-		0.137	Note B & C
8	925	Total Injuries & Damages	\$	0.292	\$	0.054	\$	-	\$	0.014	\$	(0.003)	\$	0.250	Sum of Lines 2 thru 7
9		Total Insurance	\$	0.328	\$	0.072	\$	-	\$	0.017	\$	(0.004)	\$	0.269	Line 1 + Line 8
10		Net Increase (Decrease)									\$	0.013			Cols F & G Line 9
	Nata A	A count 024 is allocated to Trans				elle ester				51.189%					Exhibit CLV-9 line 11
	Note A	Account 924 is allocated to Tran		0 1											
	Note B	Account 925 is allocated to Trar Allocation is per the ISO New E Per Book Balances are from CL	ingland	U			neet	2064, paragra		18.323% [Exhibit CLV-9 line 16

Note C Adjustement per workpapers

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Inflation Adjustment (\$ in Millions)

Line	Description	Α	mount	Reference
	Col A		Col B	Col C
1	Test Year Distribution O & M	\$	9.468	Exhibit CLV-2 Page 2 line 69, Col. G
2	Distribution Labor		(4.846)	Exhibit CLV-3 Page 1 line 1, Col D
3	Rents		(0.575)	Exhibit CLV-2 Page 2 lines 29 and 65, Col. G
4	Bad Debts		(0.094)	Exhibit CLV-2 Page 2 line 43, Col. G
5	Insurance		(0.256)	Exhibit CLV-2 Page 2 lines 60 and 61, Col. G
6				
7	Residual O & M	\$	3.696	Sum of Lines 1 through 6
8	Inflation Factor		4.167%	Line 33
9	Inflation Allowance	\$	0.154	Line 7 * Line 8

T CI .	C		• .	C				
Inflation	from	mid-r	ooint	OŤ	test	vear	to	mid-

10	Calculation of Inflation Perce	entage (Note)	point of rate year
11	1-Jan-05	1.920	
12	1-Feb-05	1.930	
13	1-Mar-05	1.930	
14	1-Apr-05	1.930	
15	1-May-05	1.940	
16	1-Jun-05	1.940	
17	1-Jul-05	1.940	
18	1-Aug-05	1.950	
19	1-Sep-05	1.950	
20	1-Oct-05	1.950	
21	1-Nov-05	1.960	
22	1-Dec-05	1.960	
23	1-Jan-06	1.970	
24	1-Feb-06	1.970	
25	1-Mar-06	1.970	
26	1-Apr-06	1.980	
27	1-May-06	1.980	
28	1-Jun-06	1.980	
29	1-Jul-06	1.980	
30	1-Aug-06	1.990	
31	1-Sep-06	1.990	
32	1-Oct-06	1.990	
33	1-Nov-06	2.000	4.167%

Source:

Global Insight (USA), Inc. (May 2005)

Consumer Price Index, All-urban\BLS\

1982-84=1.00\Old DRI CPI; Old WEFA CPIU

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Attachment DTE-5-1
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Cambridge Electric Light Company
Exhibit CAM-CLV-4
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Property Tax Adjustment (\$ in Millions)

			Last	Payment		nualized
Line	Town		yment	Frequency		ayment
	Col. A		Col. B	Col. C		Col. D
1	Cambridge	\$	0.906	Semi-Annual	\$	2.068
2	Property Taxes per Books:	Aı	mount	Percent		
3	Cambridge Utility		1.805	97.64%		
4	Blackstone (Transition)			0.00%		
5	Utility		1.805	97.64%		
6	Non-Utility		0.044	<u>2.36%</u>		
7	Total Charged	\$	1.849	<u>100.00%</u>		
8	Property Tax Adjustment					
9	Proforma Utility Property Taxes (L. 1, Col. D * L. 3, Col.	C)			\$	2.020
10	Less: blank					
11	Latest Retail Property Tax Payments				\$	2.020
12	Less: Test Year Utility Property Tax Expense					(1.805)
13	Proforma Rate Year Adjustment				\$	0.214
14	Allocated to Transmission (Note A)	5	1.1886%			0.110
15	Distrbution Increase				\$	0.105
16						
17	Non-Utility					
18	408211		Sherma		\$	0.001
19	408212		•	& Portland		0.004
20	408213		nam-Re			0.008
21	408213		_	hire Street		0.007
22	408214		-136 Aı	nory		0.002
23	408216		adway			0.004
24	408216		Amory			0.001
25	408218	Put	ham		<u></u>	0.015
26					\$	0.044

Note A Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2064, paragraph E

D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-5 Page 1 of 1

Cash Working Capital (\$ in Millions)

Net (Lead)/

LineDescriptionLag DaysTest YearWorking CapitalReferenceCol ACol BCol CCol D	e Col E
Col A Col B Col C Col D	Col E
Col. C * Col B / 365 Days	
Fuel & Purchase Power \$ 118.083 Exhibit CLV-2	2 Page 2, L. 4 , 10 and 12
2 Less: Transmission Support (TCOS) (4.065) Exh CLV-9, Pa	Page 1, Line34
3 Less: Misc. Short Term Capacity Sales (6.059) Exhibit CLV-7	7 Page 2 line 59
4 Net Fuel & Purchase Power 30.00 \$\frac{107.958}{2000}\$\$\$\$ 8.873 Sum lines 1 th	thru 3
This cash working capital associated with power should be recovered from the Basic service custome	ers
and we have not included this balance in this cost of service	
5 Operations and Maintenance Expense \$ 10.474 Exhibit CLV-2	2 Page 3 line 11, Col. B
	2 Page 2 line 43, Col. G
7 Less Bad Debts Adjustment (0.112) Exhibit CLV-2	2 Page 3 line 4, Col. B
8 Plus DSM 4.188 Exhibit CLV-2	2 Page 2 line 47, Col. E
9 Plus PAM 1.217 Exhibit CLV-2	2 Page 2 line 62, Col. E
10 Cash Working Capital 45 \$ 15.673 \$ 1.932 Sum lines 5 th	thru 9
West're Control Transferred to Device Control	
Working Capital Transferred to Basic Service 11 Equity return 5.25% Exhibit CLV-2	0 D 7 lin- 00 O-l F
11 Equity return 5.25% Exhibit CLV-2 12 times tax factor 64.54% Exhibit CLV-2	
13 Tax to be recovered 3.39% Multiply lines 1	
	2 Page 2 line 23, Col. E
15 Return plus taxes 12.61% Sum line 13 th	
Working Capital associated with power \$ 8.873 Line 4 above	
17 Revenue due to working capital associated with power \$ 1.119 Multiply lines 1	

Page 1 of 1

D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-6

Accumulated Deferred Income Taxes (ADIT - \$ in Millions)

			Pe	er Books		Less		Less ansition,	Less			
								gy Supply,				
Line	Description	Account	В	Balance	Tra	nsmission		M, PAM	Other	Dis	tribution	Notes
	Col A	Col B		Col C		Col D	(Col E	Col F		Col G	Col H
1	Demand side management costs	190	\$	1.674				1.674			-	
2	FAS109 Regulatory liability	190		0.390		0.200					0.190	Note A
3	Pension expense	190		1.416		0.259		1.156			-	Note B
4	Provision for rate refund	190		0.107					0.107		-	
5	Sales tax reserves	190		0.131		0.067					0.064	Note A
6	Self insurance reserves	190		0.149		0.076					0.073	Note A
7	Uncollectible accounts	190		0.083		-					0.083	
8	Other items	190		0.097		0.050		-	-		0.047	Note A
9	Total per Form 1, P. 234, L. 18, Col C	190	\$	4.046	\$	0.652	\$	2.830	\$ 0.107	\$	0.457	Sum Lines 1 through 8
10												-
11	Property Items Depreciation	282			\$	-	\$	-	\$ -	\$	-	
12	Transition property	282.000				-		-	-		-	_
13	Total	282	\$	25.874	\$	13.245	\$	-	\$ -	\$	12.630	Note A
14												•
15	Cost to achieve deferred	283		0.960					0.960		-	Not in Rate Base
16	Deferred transition costs	283	\$	4.664			\$	4.664	\$ -		-	Transition Charge
17	Post employment benefits accrued	283		1.590		0.291		1.298	-		-	PAM
18	Transmission deferrals	283		1.035				1.035	-		-	Transmission Charge
19	Other items	283		1.906		0.976		-	-		0.930	Note A
20	Total	283	\$	10.155	\$	1.267	\$	6.997	\$ 0.960	\$	0.930	Sum Lines 15 through 19

Note A = Transmission Plant Allocator, CLV-9, Page 1, Line 11 at 51.1886%

Note B = Transmission Wages & Salaries Allocator, CLV-9, Page 1, Line 16 at 18.3230%

Allocation is per the ISO New England Tariff Schedule 21, Original Sheet 2059, paragraph A.1.f

D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-7 Page 1 of 3

Detailed Revenue Accounts (\$ in Millions) Per Books Less Less Less

						Transition, Energy							
Line	Acct	Description	Balance	_	Transmission	Sup	ply, DSM, PAM	_	Other		stribution	Reference	
	Col. A	Col. B	Col. C		Col. D		Col. E		Col. F		Col. G	Col. H	
1	417010	Wireless communications revenue	S -	\$	-	S	-	\$	-	\$	-		
2	417020	Property mgmt and develop revenue			-		-		-		-		
3	417030	Property protection revenue			-		-		-		-		
4		Consulants expense			-		-		-		-		
5		Rent expense			-		-		-		-		
6	417	Total Nonutility Revenues/Expenses	<u>s -</u>	\$		S		\$	-	\$		Exhibit CLV-2 Page 8 line 20	
7	440060	Residential - Energy Conservation	0.475		-		0.475		-		-		
8	440070	Residential - Renewable	0.095		-		0.095		-		-		
9	440120	Residential - Distribution	7.828		-		-		-		7.828		
10	440130	Residential - unbilled Distribution	(0.072)		-		-		-		(0.072)		
11	440140	Residential - Transmission	4.053		4.053		-		-				
16	440150	Residential - unbilled Transmission			-		-		-		-		
17	440160	Residential - Transition	0.552				0.552		-		-		
18	440162	Residential - Unbilled Transition	(0.007)				(0.007)		-		-		
19	440165	Deferred Transmission					-		_				
20	440170	Residential - Standard Offer	3.891				3.891		_				
21	440175	Residential - Basic Service Adjustment	0.279				0.279						
22	440180	Residential - Basic service	8.476				8.476						
23	440195	Residential - PAM	0.238				0.238						
24	440196	Deferred PAM Elect	(0.329)				(0.329)						
25	440	Total Residential Sales	\$ 25.480	\$	4.053	s	13.670	s	-	\$	7.756	Exhibit CLV-2 Page 8 line 2	
				_									
26	442330	Commercial - Distribution	\$ 12.467	\$	-	S	-	\$	-	\$	12.467		
27	442340	Commercial - unbilled Distribution	(0.052)								(0.052)		
28	442350	Industrial - Distribution	0.139								0.139		
29	442360	Industrial - unbilled Distribution	(0.004)								(0.004)		
30	442380	Commercail - Transmission	21.069		21.069		-		-		-		
31	442395	Commercial - PAM	1.782		-		1.782		-		-		
32	442400	Industrial - Transmission	0.351		0.351		-		-		-		
33	442430	Industrial - Transition	0.092				0.092		-		-		
34	442435	Industrial - Unbilled Transition	(0.005)				(0.005)		-		-		
35	442450	Commercial - Standard Offer	34.979		-		34.979		-		-		
36	442455	Commercial - Basic Service Adj	2.122				2.122		-		-		
37	442460	Industrial - Standard Offer	0.781		-		0.781				-		
38	442465	Industrial - Basic Service Adj	0.042		-		0.042		-		-		
39	442480	Commercial - Basic Service	38.380		-		38.380		-		-		
40	442490	Industrial - Basic service	0.290		-		0.290		-		-		
41	442495	Industrial - PAM	0.036		-		0.036		-		-		
42	442500	Commercial - Transition	4.407		-		4.407		-		-		
43	442505	Commercial - Unbilled Transition	(0.109)		-		(0.109)		-		-		
44	442520	Commercial - Energy Conservation	3.620		-		3.620		-		-		
45	442530	Commercial - Renewable	0.724		-		0.724		-		-		
46	442540	Industrial - Energy Conservation	0.072		-		0.072		-		-		
47	442550	Industrial - Renewable	0.014		-		0.014		-		-		
48	442	Total Commercial and Industrial Sales	\$ 121,197	s	21,420	s	87.227	Ś		s	12,550	Exhibit CLV-2 Page 8 line 3	

12.550 Exhibit CLV-2 Page 8 line 3
D.T.E. 05-85
Cambridge Electric Light Company
Exhibit CAM-CLV-7
Page 2 of 3

Detailed Revenue Accounts (\$ in Millions) Less Less Less Form 1 Form 1 Form 1 Form 1

				Form 1		Form 1		Form 1	Form 1		F	Form 1	
							т	ransition, Energy					
Line	Acct	Description		Balance		Transmission		only, DSM, PAM		Other	Dis	tribution	Reference
	Col. A	Col. B	_	Col. C	_	Col. D		Col. E	_	Col. F	_	Col. G	Col. H
49	444040	Street Light - Distribution	s	0.744	•	COLD	s	COLL	s	0.454		0.291	Normalized/ streetlight sale
50	444050	Street Light - Transmission		0.146		0.146	,			0.454		0.271	Tornamica streetight said
51	444060	Street Light - Transition		0.025		0.140		0.025		_			
52	444070	Street Light - Standard Offer		0.370				0.370		_			
53	444075	Street Lighting - Basic Service Adj		0.013				0.013		_		-	
54	444080	Street Light - Energy Conservation		0.021				0.021		_		-	
55	444090	Street Light - Renewable		0.004		_		0.004		-		-	
56	444095	Street Light - PAM		0.009				0.009		_		-	
57	444100	Street Light - Basic Service		0.070		-		0.070		-		-	
58	444	TOTAL ACCOUNT 444	s	1,401	s	0.146	s	0.511	s	0,454	s	0.291	Exhibit CLV-2 Page 8 line 4
			-		_		-		_		_		
59	447640	Misc short term sales capacity		6.059				6.059				-	
60	447	Total Sales for Resale	s	6.059	\$	-	s	6.059	s	-	\$	-	Exhibit CLV-2 Page 8 line 6
			_		_		_		_				
61	449100	Provision for Rate Refunds	s	(1.275)	\$		s		\$	(1.275)	\$	-	Exhibit CLV-2 Page 8 line 8
62	450010	Forefeited Discounts - Interest charge re	\$	0.199	\$	-	s	-	s	-	\$	0.199	Exhibit CLV-2 Page 8 line 11
86	451020	Miscellaneous Service Revenue	s		s		S		s		s	-	Exhibit -CLV-2 Page 8 line 12
87	454002	Assoc CO Rents - Summit	s	0.012			s		s	_	s	0.012	
88	454130	Assoc CO. Rents - Summit	s	0.001				-		-		0.001	
89	454170	Assoc Co line 1-Canal	S	0.000				_		-		0.000	
90	454180	Pole Attachments - CATV	s	0.010				-		-		0.010	
91	454717	Assoc CO. Rents - Summit	s	0.003				-		-		0.003	
92	454730	Assoc CO. Rents	\$	0.000				-		-		0.000	
93	454735	Assoc CO. Rents - Summit	\$	0.002				-		-		0.002	
94	454745	Assoc CO. Rents	\$	0.001				-		-		0.001	
95	454750	Assoc Co Rent Elect Prop	\$	0.003				-		-		0.003	
96	454780	Mirant Kendall - Facilities	\$	0.497		0.497		-		-		-	
97	454910	Rent-Prop In Operation	\$	0.074				-		-		0.074	
98	454	Total Rent from Electric Property	\$	0.603	\$	0.497	s	-	\$	-	\$	0.106	Exhibit CLV-2 Page 8 line 14

0.074
0.106 Exhibit CLV-2 Page 8 line 14
D.T.E. 05-85
Cambridge Electric Light Company
Exhibit CLV-7
Page 3 of 3

Detailed Revenue Accounts (\$ in Millions) Less Less

						1.033		1.033		1.033			
				Form 1		Form 1		Form 1		Form 1		Form 1	
							Tr	ansition, Energy					
Line	Acct	Description		Balance		Transmission	Suc	ply, DSM, PAM		Other	Di	stribution	Reference
	Col. A	Col. B	_	Col. C	-	Col. D	_	Col. E	_	Col. F		Col. G	Col. H
99	456010	Other operating revenues	s	0.042	\$	-	s	-	\$	-	\$	0.042	
100	456017	DSM incentive		0.392				0.392				-	
101	456102	Acct Reactivation Rev		0.001								0.001	
102	456122	Transm Chgs - Muni		1.264		1.264		-		-		-	
103	456470	Cancel Small Final Customer Balance		(0.009)								(0.009)	
104	456475			(0.003)								(0.003)	
105	456490	Hydro QueCAM Energy Line Usage		0.119		-		0.119				-	
106	456690	RNS Transmission revenue		3.357		3.357						-	
107	456770	PAM return on prepaid & deferral		2.229				2.229				-	
108	456780	Oracle return check fee		0.007								0.007	
109	456810	Call Center Adjustments		(0.001)				-		-		(0.001)	
110	456820	DTE Adjustments		(0.000)				-		-		(0.000)	
111	456830	Prudential sub lease		0.064				-		-		0.064	
112	456850	Power System Services Revenue		0.001				-		-		0.001	
113	456980	Interval data revenue		0.007				-		-		0.007	
114	440165	Deferred Transmission				-	_	-				-	(Reclass from 440)
115	456	Total Other Electric Revenues	\$	7.471	\$	4.621	\$	2.741	\$		\$	0.110	FF1, P. 300, L. 21
116		Total Revenues	\$	161.136	\$	30.737	S	110.209	\$	(0.821)	\$	21.011	
117		Retail Energy Supply						89.694					

Cambridge Electric Light Company Cost of Service Operations & Maintenance Expense 12 months ended 6/30/05 D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-8

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12 mc	onths en	nded 6/30/05				Less:		Add:	1 4 5 7 5 7 1		
				Form 1		Form 1		Form 1			
				12/31/04	2n	d Quarter	2n	d Quarter	1	2 months	
Line	A/C	Description		Year-to-Date		2004		2005		ended 6/30/05	
	Col. A	Col. B		Col. C		Col. D		Col. E		Col. F	
1	555	Purchased Power	\$	88.517	\$	46.687	\$	32.189	\$	74.018	
2	556	System Control & Load Dispatching		0.028		0.018		0.023		0.033	
3	557	Other Expenses		6.520		3.041		12.134		15.613	
4		Total Power Supply Expense	\$	95.065	\$	49.747	\$	44.346	\$	89.664	
5	560	Operation Supervision and Engineering		0.041				0.034		0.076	
6	561	Load Dispatching		0.461		0.193		0.238		0.506	
7	562	Station Expense		0.004		0.001		0.012		0.015	
8 9	563 564	Overhead Lines Expenses Underground Lines Expenses		0.003		0.000		0.000		0.003 0.003	
10	565	Transmission of Electricity by Others		21.034		5.028		12.413		28.419	
11	566	Miscellaneous Transmission Expenses		0.006		0.002		0.006		0.010	
12	567	Rents									
13	568	Maintenance Supervision and Engineering		0.025		0.017		0.005		0.012	
14	569	Maintenance of Structures									
15	570	Maintenance of Station Equipment		0.003		0.001		0.004		0.006	
16	571	Maintenance of Overhead Lines		0.015		0.003		(0.012)		(0.000)	
17	572	Maintenance of Underground Lines		0.004		0.002		0.001		0.003	
18	573	Maintenance of Misc. Transmission Plant		04.500	•		•	10 701	•	00.050	
19	500	Transmission	\$	21.598	\$	5.247	\$	12.701	\$	29.052	
20	580 581	Operation, Superv & Engineering		0.404 0.147		0.258 0.068		0.208 0.081		0.354 0.160	
21 22	582	Load Dispatching Station Expenses		0.147		0.066		0.061		0.160	
23	583	Overhead Line Exp		0.230		0.156		0.072		0.205	
24	584	Underground Line		0.289		0.120		0.184		0.354	
25	585	Street Lighting & Signal System		0.006		0.003		0.005		0.008	
26	586	Meter Expenses		0.368		0.177		0.199		0.390	
27	587	Customer Installation		0.054		0.021		0.022		0.055	
28	588	Misc. Distribution		0.383		0.037		(0.000)		0.346	
29	589	Rents		0.546		0.272		0.233		0.508	
30	590	Maint Supervision		0.206		0.067		0.094		0.233	
31	591	Maintenance of Structures		0.049		0.012		0.044		0.082	
32	592	Maint of Station		0.134		0.039		0.155		0.250	
33	593	Maint of Overhead		0.165		0.032		0.120		0.253	
34	594	Maint of Underground Lines		0.436		0.250		0.111		0.298	
35 36	595 596	Maint of Line Transformers Maint of Street Lights & signal		0.001						0.001	
37	597	Maint of Meters		0.001						0.001	
38	598	Maint of Misc Distribution		0.055		0.027		0.042		0.070	
39		Distribution	\$	3.817	\$	1.732	\$	2.304	\$	4.389	
40	901	Supervision		0.077		0.035		0.042		0.084	
41	902	Meter Reading Exp		0.346		0.174		0.162		0.334	
42	903	Customer Records		1.254		0.601		0.644		1.297	
43	904	Uncollectable Accounts		0.151		0.214		0.157		0.094	
44	905	Misc. Customer Accounts		0.064	•	0.032	Φ.	0.036	Φ.	0.068	
45	007	Customer Accounts	\$	1.892	\$	1.057	\$	1.042	\$	1.877	
46	907 908	Supervision		4.000		1.052		2.043		4 100	
47 48	908	Customer Assistance Informational & Instructional		4.099 0.018		1.953 0.010		0.004		4.188 0.012	
49	910	Misc. Customer Service		0.243		0.010		0.004		0.223	
50		Customer Service	\$	4.360	\$	2.099	\$	2.162	\$	4.423	
51	911	Supervision		0.039		0.018		0.022		0.043	
52	912	Demonstration and Selling		0.002		0.001		(0.000)		0.001	
53	913	Advertising									
54	916	Misc. Sales Expense		0.039		0.019		0.006		0.026	
55		Sales	\$	0.080	\$	0.038	\$	0.028	\$	0.070	
56	920	Admin & General Salaries		1.537		0.997		1.072		1.612	
57	921	Office Supplies & Expenses		0.641		0.253		0.244		0.632	
58	922	Admin Expenses Transferred		(0.422)		(0.287)		(0.181)		(0.317) 0.316	
59	923	Outside Services		0.281		0.157		0.191			
60 61	924 925	Property Insurance Injuries & Damage		0.022 0.414		0.006 0.278		0.019 0.157		0.035 0.292	
62	926	Employee Benefits		3.266		1.569		1.794		3.492	
63	928	Regulatory Commission Expense		0.457		0.199		0.226		0.485	
64	930	General Ad Expense		0.095				0.019		0.114	
		r		0.029		0.061		0.025		(0.007)	
65	931	Rents		0.176		0.089		0.252		0.339	
66	935	Maint of General									
67		Admin	\$	6.497	\$	3.321	\$	3.819	\$	6.995	
68		F									
69		Total	\$	133.311	\$	63.241	\$	66.400	\$	136.470	

D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-9 Page 1 of 4

Cambridge Transmission Allocators with 13.8

Plant Allocator:		6/30/05				
	Col. A	Col. B		Col. C	Col. D	Col. E
1		Transmission Plant (Incl Dispatch)	\$	33.901	Exhibit CAM-CLV-2 Page 4 line 8	
2		Trans Related Dist Plant (Incl Dispatch)		51.933	Exhibit CAM-CLV-2 Page 4 line 24	
3		Total Transmission Investment	\$	85.834	line 1 plus line 2	
4		Intangible Plant		2.684	Exhibit CAM-CLV-2 Page 4 line 6	
5		General Plant		3.358	Exhibit CAM-CLV-2 Page 4 line 41	
6		Total Intangible & General Plant		6.042	line 4 plus line 5	
7		W&S Allocator (Incl Dispatch)		18.32%	line 16	
8		Transmission Related General & Intang Plant		1.107	Exhibit CAM-CLV-2 Page 4 lines 6 and 41	
9		Total Transmission Related Plant	\$	86.941	line 3 plus line 8	
10		Total Plant in Service	\$	169.845	Exhibit CAM-CLV-2 Page 4 line 43	
11		Plant Allocator		51.1886%	line 9 divided by line 10	
					Note A	
			,	Year Ending		
		Wage & Salary Allocator		6/30/05		
12		Transmission W&S (Incl Dispatch)	\$	0.638	Exhibit CAM-CLV-9 Page 2 line 69	
13		Total W&S		4.971	Exhibit CAM-CLV-9 Page 2 line 69	
14		A&G W&S		1.488	Exhibit CAM-CLV-9 Page 2 line 67	
15		W&S Net of A&G	\$	3.484	line 13 minus line 14	
16		W&S Allocator Including Dispatch		18.3230%	line 12 divided by line 15	
17		Payroll Tax Allocator		50.2460%	Note A	

						Transmission Tariff
					Amount Assigned	(inc. attachment or schedule)
	Acct	Account Description	ACTUAL 6/30/	<u>)5 </u>	To Transmission	where recovery is provided
						Schedule 16 System Restoration and Planning
18	565060	NEPOOL reliability EHV transmission		0.104	0.10	04 for Generators
						Schedule 21 CELCO Local Service Schedule -
19	565120	Support payments to Boston Edison		3.635	3.6	35 Attachment D
20		(Station 402 & 509)		-		Schedule 21 CELCO Local Service Schedule -
21	565150	Support novements to Commonwealth		0.289	0.2	39 Attachment D
21 22	505150	Support payments to Commonwealth (Line 331, Canal section A &B)		J.289 -	0.20	- Attachment D
22		(Line 331, Canal Section A &B)		_		Schedule 21 CELCO Local Service Schedule -
23	565170	Assoc Co Trans Elect : Others		0.700	0.1	42 Attachment D (HQ AC) *
24		Hydro Quebec		-		-
		,				Schedule 19 Special Constraint Resource
25	565210	Congestion costs	1	7.550	17.5	50 Service & RTO Tariff RMR (Market Rule1)
						Schedule 9 RNS and Attachment F &
26	565590	RNS transmission payment		6.142	6.1	Attachment F Implementation Rule
27		Total	\$	28 \$:	28
28		* Hydro Quebec in Transition Charge =		0.558		
29		Transmission Support for W/C Allowance				
30		Total Transmission			27.8	51
31		Less NEPOOL Reliability (565060)			(0.1)	04)
32		Less Congestion Costs (565210)			(17.5	,
33		Less RNS Transmission (565590)			(6.1	<u>12</u>)
34		Transmission W/C Allowance		·	4.06	5

Note A Allocator is calculated per the ISO New England Tariff Schedule 21, Original Sheet 2051-2052, definitions

D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-9 Page 2 of 4

Line	A/C	Description	Per Books Total Total	Per Books Total Non Labor	Per Books Total Labor	Labor Transmission Allocation	13.8 kV Transmission Allocator	Reference
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F	Col. G	Col. H
1	555	Purchased Power	74.018	74.018	-			
2	556	System Control & Load Dispatching	0.033	(0.012)	0.045			
3	557	Other Expenses Total Power Supply Expense	15.613 89.664	15.613 89.620	0.045	_		•
5	560	Operation Supervision and Engineering	0.076	(0.009)	0.043	0.084		
6	561	Load Dispatching	0.506	0.477	0.029	0.029		
7	562	Station Expense	0.015	0.012	0.002	0.002		
8	563	Overhead Lines Expenses	0.003	0.003	-	-		
9	564	Underground Lines Expenses	0.003	0.003	-	-		
10	565	Transmission of Electricity by Others	28.419	28.419	-	-		
11 12	566 567	Miscellaneous Transmission Expenses Rents	0.010	0.010	-	-		
13	568		0.012	0.007	0.005	0.005		
13	569	Maintenance Supervision and Engineering Maintenance of Structures	0.012	0.007	0.005	0.005		
15	570	Maintenance of Station Equipment	0.006	0.003	0.003	0.003		
16	571	Maintenance of Overhead Lines	(0.000)	(0.000)	0.000	0.000		
17	572	Maintenance of Underground Lines	0.003	0.001	0.002	0.002		
18	573	Maintenance of Misc. Transmission Plant	-	-	-			•
19	500	Transmission	29.052	28.926	0.125	0.125	40.000/	
20	580 581	Operation, Superv & Engineering Load Dispatching	0.354 0.160	(0.010) 0.142	0.365 0.018	0.073 0.007	19.93%	
21 22	582	Station Expenses	0.822	0.672	0.150	0.069		Exhibit CAM-CLV-9 Page 4 line 14 Exhibit CAM-CLV-9 Page 4 line 3
23	583	Overhead Line Exp	0.205	0.165	0.040	0.000	40.7470	Exhibit OAW-OEV-51 age 4 line 5
24	584	Underground Line	0.354	0.275	0.078	0.038	48.60%	Exhibit CAM-CLV-9 Page 4 line 15
25	585	Street Lighting & Signal System	0.008	0.008	0.001			· ·
26	586	Meter Expenses	0.390	0.077	0.313			
27	587	Customer Installation	0.055	0.019	0.036			
28	588	Misc. Distribution	0.346	0.286	0.060	0.025		Exhibit CAM-CLV-9 Page 4 line 16
29	589	Rents Maint Supraminian	0.508 0.233	0.508	0.146	0.066	41.36% 45.32%	Exhibit CAM-CLV-9 Page 4 line 16
30 31	590 591	Maint Supervision Maintenance of Structures	0.233	0.087 0.012	0.070	0.066		Exhibit CAM-CLV-9 Page 4 line 2
32	592	Maint of Station	0.250	0.036	0.214	0.098		Exhibit CAM-CLV-9 Page 4 line 3
33	593	Maint of Overhead	0.253	0.165	0.088			
34	594	Maint of Underground Lines	0.298	0.151	0.148	0.072	48.60%	Exhibit CAM-CLV-9 Page 4 line 15
35	595	Maint of Line Transformers	-	-	-			
36	596	Maint of Street Lights & signal	0.001	(0.001)	0.002			
37 38	597 598	Maint of Meters Maint of Misc Distribution	0.070	0.070	0.000	0.000	/11 36%	Exhibit CAM-CLV-9 Page 4 line 16
39	376	Distribution	4.389	2.663	1.726	0.513	41.5070	Note A
40	901	Supervision	0.084	(0.013)	0.097			
41	902	Meter Reading Exp	0.334	0.065	0.270			
42	903	Customer Records	1.297	0.718	0.579			
43	904	Uncollectable Accounts	0.094	0.094	-			
44 45	905	Misc. Customer Accounts	0.068 1.877	0.068	0.946	-		•
46	907	Customer Accounts Supervision	-	-	-			
47	908	Customer Assistance	4.188	3.771	0.418			
48	909	Informational & Instructional	0.012	0.012	-			
49	910	Misc. Customer Service	0.223	0.079	0.143			_
50		Customer Service	4.423	3.862	0.561	=		
51	911	Supervision Collins	0.043	(0.007)	0.050			
52 53	912 913	Demonstration and Selling Advertising	0.001	(0.001)	0.002			
55 54	916	Misc. Sales Expense	0.026	(0.003)	0.029			
55		Sales	0.070	(0.011)	0.081	-		
56	920	Admin & General Salaries	1.612	(0.289)	1.901			•
57	921	Office Supplies & Expenses	0.632	0.632	0.001			
58	922	Admin Expenses Transferred	(0.317)	0.099	(0.416)			
59	923	Outside Services	0.316	0.316	-			
60	924	Property Insurance	0.035	0.035	-			
61 62	925 926	Injuries & Damage Employee Benefits	0.292 3.492	0.292 3.490	0.002			
63	928	Regulatory Commission Expense	0.485	0.485	-			
64	930	General Ad Expense	0.107	0.107	-			
65	931	Rents	0.339	0.339	-			
66	935	Maint of General	-	-	-			
67		Admin	6.995	5.507	1.488	Ξ		•
68		Tital	126 470	121 400	4.071	0.600		
69		Total	136.470	131.499	4.971 4.846	0.638		
70 71					4.846 0.125			
72		Supervision Allocation			0.695	0.139	19.93%	Sum lines 21 Thru 29
73		Supervision Allocation			0.520	0.236		Sum lines 22 Thru 30

 $Note\ A\quad Allocator\ is\ calculated\ per\ the\ ISO\ New\ England\ Tariff\ Schedule\ 21, Original\ Sheet\ 2064,\ paragraph\ H,\ and\ 2053\ definitions$

D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-9 Page 3 of 4

Cambridge Labor by Account

Line #	A/C		mgmt	u369	u12004	Total
	Col. A	Col. B	Col. C	Col. D	Col. E	Col. F
1	556	System Control & Load Dispatching	\$ 0.043	\$ 0.002	\$ (0.000) \$	0.045
2	560	Operation Supervision and Engineering	0.057	0.028	0.000	0.084
3	561	Load Dispatching	0.031	(0.002)	(0.000)	0.029
4	562	Station Expense	(0.002)	0.004	(0.000)	0.002
5	568	Maintenance Supervision and Engineering	0.001	0.004	0.000	0.005
6	570	Maintenance of Station Equipment	-	0.003	-	0.003
7	571	Maintenance of Overhead Lines	0.000	-	-	0.000
8	572	Maintenance of Underground Lines	0.001	0.000	-	0.002
9	580	Operation, Superv & Engineering	0.266	0.098	(0.000)	0.365
10	581	Load Dispatching	0.019	(0.001)	(0.000)	0.018
11	582	Station Expenses	(0.049)	0.199	(0.000)	0.150
12	583	Overhead Line Exp	0.009	0.029	0.001	0.040
13	584	Underground Line	0.009	0.069	0.000	0.078
14	585	Street Lighting & Signal System	0.001	(0.000)	(0.000)	0.001
15	586	Meter Expenses	0.078	0.235	(0.000)	0.313
16	587	Customer Installation	0.019	0.018	0.000	0.036
17	588	Misc. Distribution	(0.060)	0.064	0.056	0.060
18	590	Maint Supervision	0.039	0.107	0.000	0.146
19	591	Maintenance of Structures	0.001	0.069	0.000	0.070
20	592	Maint of Station	0.036	0.178	0.000	0.214
21	593	Maint of Overhead	0.036	0.052	0.000	0.088
22	594	Maint of Underground Lines	0.063	0.084	0.000	0.148
23	596	Maint of Street Lights & signal	0.002	-	-	0.002
24	598	Maint of Misc Distribution	0.000	0.000	0.000	0.000
25	901	Supervision	0.095	0.002	0.000	0.097
26	902	Meter Reading Exp	0.001	0.267	0.002	0.270
27	903	Customer Records	0.027	0.549	0.003	0.579
28	908	Customer Assistance	0.247	0.171	0.000	0.418
29	910	Misc. Customer Service	0.128	0.015	(0.000)	0.143
30	911	Supervision	0.046	0.004	0.000	0.050
31	912	Demonstration and Selling	0.002	0.000	0.000	0.002
32	916	Customer Service	0.007	0.022	0.000	0.029
33	920	Admin & General Salaries	1.715	0.186	(0.000)	1.901
34	921	Office Supplies & Expenses	0.000	0.001	0.000	0.001
35	922	Admin Expenses Transferred	(0.103)	(0.312)	(0.000)	(0.416)
36	926	Employee Benefits	0.002	0.000	(0.000)	0.002
37	Total		\$ 2.766	\$ 2.144	\$ 0.061 \$	4.971
38			 			
39	Trans		\$ 0.088	\$ 0.037	\$ 0.000 \$	0.125
40	Dist		\$ 2.678	\$ 2.107	\$ 0.061 \$	4.846
41	Union			\$ 2.168		

D.T.E. 05-85 Cambridge Electric Light Company Exhibit CAM-CLV-9 Page 4 of 4

13.8 kV Transmission Allocators

Col C = Col B / Col A * 100

Line #		Description	Total		13.8kv	13.8kv as % of Total
	Col A	Col B	Col C		$Col\ D$	$Col\ E$
1	360	Land & Land Rights		0.238	\$ 0.114	47.93%
2	361	Structures & Improvements		2.305	2.195	95.23%
3	362	Station Equipment		36.277	16.594	45.74%
4	363	Storage Battery Equipment		-	-	
5	364	Poles, Towers & Fixtures		2.795	-	
6	365	OH Conductors & Devices		5.850	-	
7	366	UG Conduit		19.963	8.504	42.60%
8	367	UG Conductors & Devices		47.994	24.525	51.10%
9	368	Line Transformers		4.107	-	
10	369	Services - Overhead		1.770	-	
11	369	Services - Underground		4.259	-	
12	370	Meters		3.505	-	
13	373	Street Lighting		0.838		
14 Dist	ribution Plant	Total		129.901	51.933	39.98%
15 366	&367	UG		67.958	33.030	48.60%
16 Tota	al Excl 370 &373	Excl Meteres &SL		125.558	51.933	41.36%

13.8 kV Accumulated Depreciation Calculation Using Above Transmission Allocators Accumulated Depreciation (\$ Millions)

	Accumulated Depreciation (\$ 1000000)							
Line#		Distribution Plant		Total		Transmission		
17	360	Land & Land Rights	\$		-	-		
18	361	Structures & Improvements			1.461	1.391	See allocator above	
19	362	Station Equipment			17.412	7.965	See allocator above	
20	363	Storage Battery Equipment						
21	364	Poles, Towers & Fixtures			1.442			
22	365	OH Conductors & Devices			2.245			
23	366	UG Conduit			8.773	3.737	See allocator above	
24	367	UG Conductors & Devices			10.365	5.297	See allocator above	
25	368	Line Transformers			1.912			
26	369	Services - Overhead			0.876			
27	369	Services - Underground			2.107			
28	370	Meters			(0.486)			
29	373	Street Lighting			0.495		_	
30		Total Dist Plant	\$		46.603	\$ 18.390	FF1, p.208, l.8, col.b	

Note A ISO New England Tariff Schedule 21, Original Sheet 2053 & 2057, definitions

Information Request: **DTE-5-2**

July 28, 2006

Person Responsible: Christine L. Vaughan

Page 1 of 1

Information Request DTE-5-2

Refer to page 1 of the Attachment to the Companies' response to information request DTE 3-6. Please explain the difference in the operating revenues on line 7 of this document with the operating revenues appearing on line 7 of Exhibit CAM-CLV-2 in D.T.E. 05-85.

Response

The difference of \$0.857 million between the operating revenues set forth on page 1, line 7 of Attachment DTE-3-6 and those contained on page 1, line 7 of Exhibit CAM-CLV-2 in D.T.E. 05-85 results from differing amount of revenue credits applicable to transmission. Cambridge bills Belmont and the MBTA, which are both wholesale customers, for delivery service over 115 kV and 13.8 kV facilities. Exhibit CLV-7, page 3, line 102 filed in D.T.E. 05-85 attributes the entire amount of the credit contained in account 456122 (\$1.264 million) to transmission in column D (i.e., none of the amount was credited to distribution service). Attachment DTE-3-6, page 19, line 102 attributes only \$0.407 million to transmission for the 115 kV portion of the Belmont and MBTA revenues. The remaining \$0.857 million credits distribution revenues with the amounts received from Belmont and the MBTA associated with the 13.8 kV facilities. Please refer to Information Request MIT-1-16 where this crediting mechanism and allocation is discussed in further detail.

Information Request: **DTE-5-3**

July 28, 2006

Person Responsible: Christine L. Vaughan

Page 1 of 1

Information Request DTE-5-3

Refer to page 1 of the Attachment of the Companies' response to information request DTE-3-6 and page 1 of the Attachment to the Companies' response to information request DTE-1-21. Please explain the difference between the figures appearing on line 9 of these documents.

Response

The difference between the figures appearing on page 1, line 9 of Attachment DTE-1-21 and Attachment DTE-3-6 results from the use of different values for the return on equity. As per the information requests, Attachment DTE-1-21 uses a return on equity of 10.5 percent and Attachment DTE-3-6 uses a return on equity of 11.5 percent.

The amounts on page 1, line 9 of Attachment DTE-1-21 and Attachment DTE-3-6 are cash working capital calculations associated with Basic Service. The calculation of an allowance for cash working capital for regulatory purposes multiplies the average amount of working capital needed by the allowed return on rate base, with an allowance for income taxes. Because the two attachments required the use of different rates of return on equity, the allowances for cash working capital are different. The detailed calculation for the amounts page 1, line 9 of Attachment DTE-1-21 and Attachment DTE-3-6 is found on page 17 of 24 of the respective attachments.

D.T.E. 06-40

Information Request: MIT-2-1

July 28, 2006

Person Responsible: Henry C. LaMontagne

Page 1 of 1

<u>Information Request MIT-2-1</u>

Please refer to the July 14, 2006 response of Henry LaMontagne to MIT 1-19 and to AG 2-13 regarding Cambridge's Rate SB-G2 and Rate SB-G3. Please provide the forecast of number of customers expected to elect service for Rate SB-G2 and Rate SB-G3 for each year of the period 2007 through 2010. Also provide the forecast of revenues projected from these rates for the same period of each rate class.

Response

At the present time Cambridge has one customer that has elected service under Rate SB-G3. Cambridge expects that for the period 2007 through 2010, two additional customer will install distributed generation that qualifies for service under Rate SB-G3. Cambridge has no estimate of projected revenues for these potential customers.

D.T.E. 06-40

Information Request: MIT-2-2

July 28, 2006

Person Responsible: Henry C. LaMontagne

Page 1 of 1

Information Request MIT-2-2

Please explain how the performance-based Simplified Incentive Plan ("SIP") set forth in Article 2.6 of the Settlement Agreement in D.T.E. 05-85 applies to Cambridge's Rates SB-1, SB-G2 and SB-G3 in the years 2007 through 2012.

Response

The referenced rates will be subject to the rate change provisions of the SIP, <u>i.e.</u>, any increases in distribution rates under the SIP will be reflected in the distribution components of the rates, and the corresponding reductions in transition charges will also be reflected in applicable transition-charge components of the rates..

D.T.E. 06-40

Information Request: MIT-2-3

July 28, 2006

Person Responsible: Henry C. LaMontagne

Page 1 of 1

Information Request MIT-2-3

For Rates SB-1, SB-G2 and SB-G3, please confirm the increase in the distribution charges will be offset by a decrease in the transition charge under the Inter-rate Stabilization Adjustment set forth in Article 2.6 of the Settlement Agreement beginning in 2007.

Response

For Rate SB-1, the increase in distribution charges will be offset by a decrease in the transition charges as set forth in paragraph 2.6 of the Settlement Agreement. Under Rate SB-G2 and Rate SB-G3, customers taking Supplemental Service will receive the commensurate decrease to offset the distribution charge increases. Customers are not charged for transition costs under the contract demand provisions of that rate. Therefore, there are no transition charges to be reduced as offsets to the distribution rate increases.

Department of Telecommunications and Energy

D.T.E. 06-40

Information Request: MIT-2-4

July 28, 2006

Person Responsible: Henry C. LaMontagne

Page 1 of 1

Information Request MIT-2-4

Are there any existing distributed generation customers receiving service in Cambridge's service territory now?

Response

Yes, Cambridge currently has 14 distributed generation customers operating in its service territory. An additional distributed generation customer is expected to become fully operational in August 2006.

Department of Telecommunications and Energy

D.T.E. 06-40

Information Request: MIT-2-5

July 28, 2006

Person Responsible: Henry C. LaMontagne

Page 1 of 1

Information Request MIT-2-5

Do any of the existing distributed generation customers receive standby service, supplemental, or maintenance service? If so, on what rate do they receive such service?

Response

Yes. Two distributed generation customers receive or are about to receive standby, supplemental and maintenance service. One customer receives service under Rate SB-1 and the second customer is expected to begin receiving service on August 1, 2006 under a special contract with pricing tied directly to Rate SB-G3.

D.T.E. 06-40

Information Request: MIT-2-6

July 28, 2006

Person Responsible: Henry C. LaMontagne

Page 1 of 1

Information Request MIT-2-6

How many projects have signed Interconnection Service contracts in the Cambridge service territory? Based on the interconnection queue, please explain the Company's expectations for revenues from these customers for each year of the period 2007 through 2012. Are there other prospective customers such as Harvard who have engaged in preliminary discussion regarding potential distributed generation projects? Please provide a separate estimate of capacity and energy for these projects and anticipated associated revenues.

Response

Cambridge currently has seven potential customers that has notified Cambridge of their intent to install combined capacity of approximately 5,550 kVA of capacity. From time to time, Cambridge receives inquiries from customers regarding the provision of service for the customers' electricity needs including interconnection services. Cambridge has not made estimates of the capacity, energy or revenue anticipated by such inquiries.

D.T.E. 06-40

Information Request: MIT-2-7

July 28, 2006

Person Responsible: Henry C. LaMontagne

Page 1 of 1

Information Request MIT-2-7

Please confirm pursuant to the Settlement Agreement separate tariffs will be maintained for customers of Boston Edison, Cambridge and Commonwealth through 2010.

Response

In accordance with the Settlement Agreement at paragraph 2.17, the Companies will maintain separate distribution prices and transition charge prices for customers of Boston Edison, Cambridge and Commonwealth until at least January 1, 2010.

D.T.E. 06-40

Information Request: MIT-2-8

July 28, 2006

Person Responsible: Henry C. LaMontagne

Page 1 of 1

Information Request MIT-2-8

Does NSTAR intend to continue class specific transition charges after the date of the Department's order in this proceeding?

Response

In accordance with paragraph 2.9 of the Settlement Agreement, the Companies will retain class specific transition charges that result from class specific transition revenue reconciliations after the date of the Department's order in this proceeding and until such time as the Department. approves the replacement or abandonment of such reconciliations.

Department of Telecommunications and Energy

D.T.E. 06-40

Information Request: MIT-2-9

July 28, 2006

Person Responsible: Henry C. LaMontagne

Page 1 of 1

Information Request MIT-2-9

Will NSTAR agree to discuss with the other intervenors, in addition to the Attorney General, in this proceeding its proposals to make the tariff definitions, rate eligibility and terms for customer service uniform for distribution tariffs in each service territory in the manner outlined in Article 2.11 of the Settlement filed in D.T.E. 05-25?

Response

Under the terms of the Settlement Agreement, NSTAR Electric is required to confer with the Attorney General on these issues. NSTAR Electric is also amenable to discussing such rate issues with others intervenors before any further rate consolidation is proposed to the Department.

Department of Telecommunications and Energy

D.T.E. 06-40

Information Request: MIT-2-10

July 28, 2006

Person Responsible: Henry C. LaMontagne

Page 1 of 1

<u>Information Request MIT-2-10</u>

Will NSTAR agree to a prefiling notice and discussion with the intervenors in this proceeding consistent with the terms for the Attorney General related to the gradual consolidation and redesign of distribution rates set forth in Article 2.12 of the Settlement Agreement in D.T.E. 05-85?

Response

Under the terms of the Settlement Agreement, NSTAR Electric is required to confer with the Attorney General on these issues. NSTAR Electric is also amenable to discussing such rate issues with others intervenors before any further rate consolidation is proposed to the Department.

Information Request: MIT-2-13

July 28, 2006

Person Responsible: Christine L. Vaughan

Page 1 of 1

<u>Information Request MIT-2-13</u>

Please refer to the response to D.T.E. 2-8 and MIT 1-16. Are the additional facilities added since D.T.E. 97-95 included in the contract referenced in response to MIT 1-16 and included in the revenue allocation ratio attributable to 13.8 facilities?

Response

Yes, the additional facilities added since D.T.E. 97-95, and referenced in the responses to Information Request DTE 2-8 and Information Request MIT 1-16, are included in the revenue allocation ratio attributable to 13.8 kV facilities.

D.T.E. 06-40

Information Request: MIT-2-16

July 28, 2006

Person Responsible: Henry C. LaMontagne

Page 1 of 1

Information Request MIT-2-16

Please provide a justification for the transmission charges of \$2.22 in Rates SB-G2 and SB-G3 as clarification to the response to MIT 1-19.

Response

The reference to \$2.22/kVa is the <u>reduction</u> in the transmission charges for Supplemental Service under Rate SB-G3. The reduction is a revenue-neutral offset to the increase in distribution charges of the same amount. The increase in the distribution charge and the decrease to transmission charge result from the reclassification of 13.8 kV facilities from transmission to distribution. There is no reference to Rate SB-G2 in the Companies' response to Information Request MIT-1-19.

Department of Telecommunications and Energy

D.T.E. 06-40

Information Request: MIT-2-18

July 28, 2006

Person Responsible: Christine L. Vaughan

Page 1 of 1

Information Request MIT-2-18

Please provide the total revenue requirement for Cambridge Electric for all transmission facilities for cost of year 2005, excluding 13.8kV facilities shown in the revenue requirement on Exhibit NSTAR-CLV-7 page 1 of 8. Please use the same methodologies and format as in Exhibit NSTAR-CLV-7 pages 1 through 8.

Response

Please refer to Attachment MIT-2-18 for the revenue requirement for all transmission facilities for the year 2005¹. Please note that the 13.8 kV facilities shown in Exhibit NSTAR-CLV-7 are included as a single line item on page 1, line 33 of this attachment. Thus the 2005 revenue requirement for all transmission facilities exclusive of the 13.8 kV facilities is \$5,155,906.

Cambridge transmission tariff effective June 1, 2005 per latest settlement discussions in ER05-742.

Cambridge Electric Light Company
Annual Local Network Service Revenue Requirements - Schedule 21 (With 13.8 removed) Cost Year: 2005 Sheet 1

Col 1	Col 2	Col 3	Col 4	Col 5
		Tariff		
Line	Description	Section	Amount	Reference
1	Investment Base	II		TROTOGOR
2	Transmission Plant	II.A.1.a	\$ 38,661,597	Sheet 3, Line 3, Col 8
3	Transmission Related Intangible and General Plant	II.A.1.b	170,388	Sheet 3, Line 6, Col 8
4	Transmission Plant Held for Future Use	II.A.1.c	170,300	Sheet 3, Line 7, Col 8
5	Total Gross Plant	11.71.1.0	38,831,985	Sum Lines 2 thru 4
3	Total Gloss Flain		30,031,903	Sum Lines 2 till 4
6	Transmission Related Depreciation and Amortization Reserve	II.A.1.d	(9,864,966)	Sheet 3, Line 13, Col 8
7	Transmission Related Accumulated Deferred Taxes	II.A.1.e	(5,242,174)	Sheet 3, Line 20, Col 8
8	Total Net Plant		23,724,846	Sum Lines 5 thru 7
9	Transmission Related Gain/Loss on Reacquired Debt	II.A.1.f	-	Sheet 3, Line 21, Col 8
10	Other Transmission Related Regulatory Assets/Liabilities	II.A.1.g	(38,729)	Sheet 3, Line 25, Col 8
11	Transmission Prepayments	II.A.1.h	30,523	Sheet 3, Line 26, Col 8
12	Transmission Materials and Supplies	II.A.1.i	95,056	Sheet 3, Line 28, Col 8
13	Transmission Related Cash Working Capital	II.A.1.j	575,681	Sheet 3, Line 35, Col 8
14	Total Investment Base		\$ 24,387,376	Sum Lines 8 thru 13
15	Revenue Requirements			
16	Return and Associated Income Taxes	II.A.2	\$ 3,845,210	Sheet 2, Line 40, Col 4
17	Transmission Depreciation and Amortization Expense	II.B	885,351	Sheet 4, Line 5, Col 8
18	Transmission Related Amort. of Gain/Loss on Reacquired Deb	II.C	-	Sheet 4, Line 6, Col 8
19	Transmission Related Amortization of Investment Tax Credits	II.D	(11,170)	Sheet 4, Line 7, Col 8
20	Transmission Related Municipal Tax Expense	II.E	365,313	Sheet 4, Line 8, Col 8
21	Transmission Related Payroll Tax Expense	II.F	11,857	Sheet 4, Line 9, Col 8
22	Transmission Operation and Maintenance Expense	II.G	159,337	Sheet 4, Line 19, Col 8
23	Transmission Related Administrative and General Expenses	II.H	383,169	Sheet 4, Line 29, Col 8
24	Transmission Related Integrated Facilities Charges	II.I	-	
25	Transmission Support Revenues	II.J	(340,278)	Sheet 6, Line 22, Col 5
26	Transmission Support Expense	II.K	4,062,939	Sheet 6, Line 32, Col 5
27	Transmission Related Expense from Generators	II.L	-	
28	Transmission Rents Received from Electric Property	II.M	(500,048)	Sheet 6, Line 45, Col 5
29	Short-Term and Non-Firm Point-to-Point Service Revenues	II.N	-	
30	Regional Network Services (RNS) Revenues	II.O	(3,705,774)	Sheet 6, Line 49, Col 5
31	Through or Out Revenues	II.P	-	OL 16 T1 51 O 15
32	ISO-NE Scheduling & Dispatch Revenue	II.Q	-	Sheet 6, Line 51, Col 5
33	13.8 kV Transmission Facilities Revenue Requirement	II.R		
34	Total Revenue Requirements		\$ 5,155,906	Sum Lines 16 thru 33

Cambridge Electric Light Company Investment Return and Income Taxes Cost Year: 2005 Sheet 2

Col 1	Col 2			Col 7	Col 8	Col 9		
Lina	Decemination	Tariff	Dalamas	Datia	Coat *	Weighted Cost	Emity Cont	Defener
Line 1	Description Long Term Debt	Section II.A.2.a.i	25,000,000	Ratio 40.00%	Cost * 7.89%	3.16%	Equity Cost	Reference Page 112.24c
2	Preferred Stock	11.A.2.a.1	23,000,000	0.00%	0.00%	0.00%	0.000/	Page 112.3c
3	Common Equity	II.A.2.a.ii	89,763,255	60.00%	12.80%	7.68%		Page 112.16c (less Line 2)
4	Total	11.A.2.a.11	114,763,255	100.00%	12.0070	10.84%	7.68%	rage 112.10c (less Line 2)
4	Total		114,703,233	100.00%		10.64%	7.0870	
5	Total Investment Base		24,387,376	Sheet 1, Line 14,	Col 4			
6	Cost of Capital Rate	II.A.2						
7	(a) Weighted Cost of Capital	II.A.2.a		Line 4, Col 7				
8	Return on Investment		<u>\$ 2,643,592</u>	Line 5 * Line 7				
	a) = 1 - 1 - = =	**						
9	(b) Federal Income Tax	II.A.2.b		(A + [(C + B) / D])) (FT)			
10				1 - FT				
11	A = Equity Cost		7.68%	Line 4, Col 8				
12	B = Transmission Amortization of ITC			Sheet 4, Line 7, C	Col 8			
13	C = Equity AFUDC			Per Section II.B				
14	Total B + C		(11,170)	Lines 12 + 13				
15	D = Investment Base		\$ 24,387,376	Line 5				
16	(B+C)/D			Line 14 / Line 15				
17	(A + [(C + B) / D]		<u>7.63%</u>	Lines 11 + 16				
18	FT = Federal Income Tax Rate		35.00%					
19	1 - FT			1 - Line 18				
20	Federal Tax Factor			Line 17 * Line 18	8 / Line 19			
21	Federal Income Taxes		\$ 1,002,497	Line 15 * Line 20)			
22	(c) State Income Tax	II.A.2.c	(A + I(C + F	3) / D]) + Federal I	ncome Tay) (ST)			
23	(c) State income 1 ax	11.A.2.C	(A + [(C + I	1 - ST	ilcome rax) (31)			
23				1 - 51				
24	A = Equity Cost		7.68%	Line 4, Col 8				
25	B = Transmission Amortization of ITC			Sheet 4, Line 7, C	Col 8			
26	C = Equity AFUDC			Per Section II.B				
27	$Total\; B + C$		(11,170)	Lines 25 + 26				
28	D = Investment Base		\$ 24,387,376	Line 5				
29	(B+C)/D		-0.05%	Line 27 / Line 28				
30	(A + [(C + B) / D]		<u>7.63%</u>	Lines 24 + 29				
31	ST = State Income Tax Rate		6.50%					
32	1 - ST		93.50%	1 - line 31, Col 4				
33	Federal Tax Factor			Line 20				
34	State Tax Factor				3) * Line 31 / Line 32			
35	State Income Taxes		<u>\$ 199,121</u>	Line 28 * Line 34	ļ			
26	Location of Determined Liver To							
36	Investment Return and Income Taxes		Ф 2 642 5 22	T: 0				
37	Return on Investment		\$ 2,643,592					
38 39	Federal Income Taxes State Income Taxes		1,002,497 199,121					
39 40	Total	II.A.2		Sum Lines 37 thr	n 30			
40	1 Utal	11.A.Z	φ 3,045,410	Sum Lines 37 thr	u <i>37</i>			

^{*} See Sheet 7, Col 15, Line 3 for Cost of LTD

Cambridge Electric Light Company Investment Base Cost Year: 2005 Sheet 3

Col 1	Col 2	Col 3	Col 4	Col 5		Col 6	Col 7	Col 8	Col 9
		Tariff				Transmission	LNS Allocation		
Line	Description	Section	Total	Allocation F	actor	Allocated	Factor (b)	LNS Allocated	Reference
						(Col 4 x Col 5)		(Col 6 x Col 7)	
1 2	Transmission Plant Hydro Quebec Leases	II.A.1.a II.A.1.a	\$ 38,661,597	100.0000% 100.0000%		\$ 38,661,597	100.0000% 100.0000%	\$ 38,661,597	Page 207.58g
3	Net Transmission Plant	II.A.1.a	38,661,597	100.000076		38,661,597	100.000070	38,661,597	Sum Lines 1 thru 2
4 5	Intangible Plant General Plant	II.A.1.b II.A.1.b	2,774,261 3,292,765	2.8084% 2.8084%		77,913 92,475	100.0000% 100.0000%	77,913 92,475	Page 205.5g Page 207.90g
6	Total	II.A.1.b	6,067,026	2.000470	(4)	170,388	100.000070	170,388	Sum Lines 4 thru 5
7	Transmission Plant Held for Future Use	II.A.1.c		0.0000%			100.0000%		Page 214
				0.000070			100.000070		1 age 214
8	Transmission Related Depreciation & Amortization Reserve	II.A.1.d							
9 10	Transmission Accum. Depreciation Intangible Plant Accum. Amortization		(9,832,610) (1,139,569)	100.0000% 2.8084%	(a)	(9,832,610) (32,004)	100.0000% 100.0000%		Page 219.25b Page 200.21b
11	General Plant Accum. Depreciation		(12,517)	2.8084%	(a)	(352)	100.0000%		Page 219.27b
12 13	Hydro Quebec Related Accumulated Dep		(10,984,696)	100.0000%		(9,864,966)	100.0000%	- (0.964.066)	Com I in a Oak on 12
	Total	**	(10,984,696)			(9,864,966)		(9,864,966)	Sum Lines 9 thru 12
14 15	Transmission Accumulated Deferred Taxes Accumulated Deferred Taxes (190)	II.A.1.e	7,530,939	5.4564%	(4)	410,915	100.0000%	410.015	See Line 57
16	Accumulated Deferred Taxes (190) Accumulated Deferred Taxes (281)		7,530,939	3.430470	(u)	410,913	100.0000%	410,915	Page 273.8k
17	Accumulated Deferred Taxes (282)		(25,978,487)	19.6125%		(5,095,041)	100.0000%		Page 275.2k
18 19	Accumulated Deferred Taxes (283) Hydro Quebec Related Def Taxes		(21,174,438)	2.6355% 100.0000%	(e)	(558,048)	100.0000% 100.0000%	(558,048)	See Line 78
20	Total		(39,621,986)			(5,242,174)		(5,242,174)	Sum Lines 15 thru 19
21	Gain/Loss on Reacquired Debt	II.A.1.f		19.6125%	(c)		100.0000%	_	Page 111.81c + Page 113.61c
22	Other Regulatory Assets/Liabilities	II.A.1.g							
23	FAS 106 (182.3 & 254)		1,367,955	2.8084%	(a)	38,418	100.0000%	38,418	Page 232 & 278
24	FAS 109 (182.3 & 254)		(393,358)	19.6125%	(c)	(77,147)	100.0000%	(77,147)	-
25 26	Total Transmission Prepayments	II.A.1.h	974,597 1,086,844	2.8084%	(0)	(38,729) 30,523	100.0000%	(38,729) 30,523	Sum Lines 23 thru 24 Page 111.57c
			1,000,044	2.000470	(a)	30,323	100.0000%	30,323	rage 111.57C
27 28	Materials & Supplies Transmission M&S	II.A.1.i	95,056	100.0000%		95,056	100.0000%	95.056	Page 227.8c
29	Cash Working Capital	II.A.1.j	,5,050	100.000070		75,050	100.000070	75,050	1 age 227.00
30	Operation & Maintenance Expense	111						159,337	Sheet 1, Line 22, Col 4
31	Administrative & General Expense							383,169	Sheet 1, Line 23, Col 4
32 33	Transmission Support Expense Total							4,062,939	Sheet 1, Line 26, Col 4 Sum Lines 30 thru 32
34	Working Capital Factor							0.125	45 / 360
35	Total							575,681	Line 33 x Line 34
36	(a) Wage & Salary Allocation Factor	2.8084%	Sheet 5, Line 6,						
37 38	(b) LNS Allocation Factor (c) Plant Allocation Factor	100.0000% 19.6125%	Sheet 5, Line 21, Sheet 5, Line 13,						
		19.012570	Silect 5, Line 15,	, C014					
39 40	(d) Accumulated Deferred Taxes (190) Sale of Generating Assets		1,200,565	0.0000%		_	100.0000%		
41	Demand Side Management revenue deferred		1,819,609	0.0000%		-	100.0000%	-	
42 43	Bonus depreciation state limitation State loss limitation from 2000 net of amortization		76,321 186,028	19.6125% 19.6125%	(c) (c)	14,968 36,485	100.0000% 100.0000%	14,968 36,485	
44	Regulatory Assets		1,373,809	19.6125%	(c)	269,439	100.0000%	269,439	
	Charitable contributions		5,805	19.6125%	(c)	1,139	100.0000%	1,139	
46 47	Mitigation incentive reserve unbilled NEPOOL		185,142 19,473	0.0000% 19.6125%	(c)	3,819	100.0000% 100.0000%	3,819	
	Stare benefit of federal change		15,857	19.6125%	(c)	3,110	100.0000%	3,110	
49 50	Pension and PBOP costs Provision for rate refund		845,417 1,289,216	2.8084% 0.0000%	(a)	23,743	100.0000% 100.0000%	23,743	
51	Sales tax abatement interest		45,647	19.6125%	(c)	8,953	100.0000%	8,953	
	Self insurance reserves		184,358	19.6125%	(c)	36,157 11,960	100.0000% 100.0000%	36,157 11,960	
	State net operating loss Early lease retirement (Prudential)		60,982 40,666	19.6125% 2.8084%		1,142	100.0000%	1,142	
55	Uncollectible accounts		180,653	0.0000%		-	100.0000%	-	
56 57	Stock incentive plan Total		7,530,939	0.0000%		410,915	100.0000%	410,915	Page 234.2c
			1,000,709			+10,713		710,713	1 ugo 207.20
58 59	(e) Account 283 - Non-Property Deferral of power costs		13,452,070	0.0000%			100.0000%	_	
	Deferral of power costs-topside		(2,256,142)	0.0000%		-	100.0000%	-	
61 62	Regulatory assets PBOP Cost to achieve expenditures		1,586,568 849,639	2.8084% 0.0000%	(a)	44,558	100.0000% 100.0000%	44,558	
63	Gain of sale of assets		4,189,415	0.0000%		-	100.0000%	-	
64	Federal appeals items		2,058,660	19.6125%		403,755	100.0000%	403,755	
65 66	FAS 106 costs-Medicare Act Environmental costs		53,287 174,756	2.8084% 19.6125%	(a) (c)	1,497 34,274	100.0000% 100.0000%	1,497 34,274	
67	FAS 109 reserve transfer		93,619	19.6125%	(c)	18,361	100.0000%	18,361	
68 69	Interest accrued on potential tax deficiency Investment in HEEC/HQ earnings		4,395 224,464	19.6125% 0.0000%	(c)	862	100.0000% 100.0000%	862	
70			10,836	19.6125%	(c)	2,125	100.0000%	2,125	
71	ISO start-up costs deferred		10,030						
	ISO start-up costs deferred Rate design adjustment		181,822	0.0000%		-	100.0000%	-	
72	ISO start-up costs deferred Rate design adjustment Sale of generating assets		181,822 281,622	0.0000% 0.0000%	(c)	13.087	100.0000%	13.087	
72 73 74	ISO start-up costs deferred Rate design adjustment Sale of generating assets State liability for Federal change 1997-1999 RAAC deferred revenue		181,822 281,622 66,728 1,152	0.0000% 0.0000% 19.6125% 0.0000%		13,087	100.0000% 100.0000% 100.0000%	13,087	
72 73 74 75	ISO start-up costs deferred Rate design adjustment Sale of generating assets State liability for Federal change 1997-1999 RAAC deferred revenue Interest on state and municipal accounts		181,822 281,622 66,728 1,152 7,431	0.0000% 0.0000% 19.6125% 0.0000% 19.6125%	(c)	1,457	100.0000% 100.0000% 100.0000% 100.0000%	1,457	
72 73 74	ISO start-up costs deferred Rate design adjustment Sale of generating assets State liability for Federal change 1997-1999 RAAC deferred revenue		181,822 281,622 66,728 1,152	0.0000% 0.0000% 19.6125% 0.0000%		-	100.0000% 100.0000% 100.0000%	-	
72 73 74 75 76 77	ISO start-up costs deferred Rate design adjustment Sale of generating assets State liability for Federal change 1997-1999 RAAC deferred revenue Interest on state and municipal accounts FAS 109 Other		181,822 281,622 66,728 1,152 7,431 (285,486)	0.0000% 0.0000% 19.6125% 0.0000% 19.6125% 19.6125%	(c) (c)	1,457 (55,991)	100.0000% 100.0000% 100.0000% 100.0000%	1,457 (55,991)	Page 277.3k

Cambridge Electric Light Company
Transmission Expenses
Cost Year: 2005
Sheet 4

Col 1	Col 2	Col 3	Col 4	Col 5		Col 6	Col 7	Col 8	Col 9	
		Tariff					LNS Allocation			
Line	Description	Section	Total	Allocation Fa	ctor	Allocated	Factor (b)	LNS Allocated	Reference	
						(Col 4 x Col 5)		(Col 6 x Col 7)		
1	Depreciation & Amortization Expense	II.B								
2	Transmission Plant Depreciation		868,428	100.0000%		\$ 868,428	100.0000%	\$ 868,428	Page 336.7b	
3	Intangible Plant Amortization		528,332	2.8084%		14,838	100.0000%	14,838	Page 336.1f	
4	General Plant Depreciation		74,240	2.8084%	(a)	2,085	100.0000%	2,085	Page 336.9b	
5	Total		1,471,000			885,351		885,351	Sum Lines 2 thru 4	
6	Amortization of Gain/Loss on Reacquired Debt	II.C	-	19.6125%	(c)	-	100.0000%		Page 117.64c + Page 117.66c	
7	Amortization of Investment Tax Credits	II.D	(56,952)	19.6125%	(c)	(11,170)	100.0000%	(11,170)	Page 266.8f	
8	Municipal Tax Expense	II.E	1,862,652	19.6125%		365,313	100.0000%	365,313	Page 263.5i	
9	Payroll Taxes	II.F	422,187	2.8084%	(a)	11,857	100.0000%	11,857	Page 263.7i + Page 263.10i	
10	Transmission Operations & Maintenance	II.G								
11	Operation Supervision & Engineering (560)		71,794	100.0000%		71,794	100.0000%	71,794	Page 321.83b	
12	Load Dispatching (561)		544,470	7.6671%		41,745	100.0000%	41,745	Sheet 6, Line 4, Col 5	
13	Station Expenses (562)		19,984	100.0000%		19,984	100.0000%	19,984	Page 321.85b	
14	Overhead Lines Expenses (563)		2,653	100.0000%		2,653	100.0000%	2,653	Page 321.86b	
15	Underground Lines Expenses (564)		5	100.0000%		5	100.0000%	5	Page 321.87b	
16	Miscellaneous Transmission Expenses (566)		18,071	100.0000%		18,071	100.0000%	18,071	Page 321.89b	
17	Rents (567)			100.0000%			100.0000%		Page 321.90b	
18	Transmission Maintenance (568 - 573)		5,085	100.0000%		5,085	100.0000%	5,085	Page 321.99b	
19	Total		662,062			159,337		159,337	Sum Lines 11 thru 18	
20	Transmission Administrative & General	II.H								
21	Administrative and General		7,244,449						Page 323.168b	
22	Property Insurance (924)		(37,247)						Page 323.156b	
23	Regulatory Commission Expense (928)		(495,635)						Page 323.160b	
24	General Advertising Expense (930.1)		(35,008)						Page 323.162b	
25	Sub-Total		6,676,559	2.8084%		187,506	100.0000%	187,506	Sum Lines 21 thru 24	
26	Property Insurance (924)		37,247	19.6125%		7,305	100.0000%	7,305	Page 323.156b	
27	Regulatory Commission Expense (928)		495,634		(d)	188,357	100.0000%	188,357	See Line 44	
28	General Advertising Expense (930.1)		35,008	0.0000%			100.0000%		Page 323.162b	
29	Total		7,244,448			383,169		383,169	Sum Lines 25 thru 28	
30	(a) Wage & Salary Allocation Factor	2.8084%	Sheet 5, Line 6,	Col 4						
31	(b) LNS Allocation Factor	100.0000%	Sheet 5, Line 21							
32	(c) Plant Allocation Factor	19.6125%	Sheet 5, Line 13	, Col 4						
33	(d) Regulatory Commission Expense (928)									
	DTE Assessmet- General Fund		129,659	0.0000%		-	100.0000%	-	Page 350.1d	
	Consumer Affairs - DTE Trust		102,683	0.0000%		-	100.0000%	-	Page 350.2d	
	Consumer Affairs - AG		26,629	0.0000%		-	100.0000%	-	Page 350.3d	
	Consumer Affairs - Business Regulation			(1,180) 0.0000% 4,542 0.0000%		-	100.0000% 100.0000%	-	Page 350.4d Page 350.5d	
	Outage Assessment Massachusetts Emergeney Management Agency		4,342 37,867	0.0000% 0.0000%		-		-	C	
39 40	Massachusetts Emergency Management Agency Consumer Affairs - Stray Voltage Assessment		1,572	0.0000%		-	100.0000% 100.0000%	-	Page 350.6d Page 350.7d	
40	Consumer Affairs - Manhole Cover Assessment		5,505	0.0000%		-	100.0000%	-	Page 350.8d	
	FERC Assessment		99,902	100.0000%		99,902	100.0000%	99,902	Page 350.9d	
	FERC Docket #ER03-563-030		88,455	100.0000%		88,455	100.0000%	88,455	Page 350.10d	
44	Total		495,634	38.0033%		188,357	223.000070	188,357	Sum Lines 34 thru 43	
			473,034	30.0033/0		100,337		100,337	Zines 54 till 45	

Cambridge Electric Light Company

Allocation Factors Cost Year: 2005 Sheet 5

Col 1	Col 2	Col 3 Tariff	Col 4	Col 5
Line	Description	Section	 Amount	Reference
1	Transmission Wages and Salaries Allocation Factor	I.A.1		
2	Direct Transmission Wages & Salaries		\$ 141,458	Page 354.19b
3	Total Wages and Salaries		6,427,080	· ·
4	Administrative and General Salaries		 1,390,170	Page 354.24b
5	Net Wages and Salaries		\$ 5,036,910	Line 3 - Line 4
6	Allocation Factor		2.8084%	Line 2 / Line 5
7	Plant Allocation Factor	I.A.2		
8	Transmission Plant		\$ 38,661,597	Page 207.58g
9	Transmission Related Intangible Plant		77,913	Sheet 3, Line 4, Col 8
10	Transmission Related General Plant		 92,475	Sheet 3, Line 5, Col 8
11	Total Transmission Related Plant		\$ 38,831,985	Sum Lines 8 thru 10
12	Total Plant in Service		 197,995,707	Page 207.95g
13	Allocation Factor		19.6125%	Line 11 / Line 12
14	LNS Allocation Factor			
15	LNS Transmission Investment		38,661,597	Line 8
16	Distribution Investment Categorized as LNS Transmission	n	-	
17	Total LNS Transmission Investment		\$ 38,661,597	Sum Lines 15 + 16
18	Transmission Investment		38,661,597	Line 8
19	Distribution Investment Categorized as Transmission			
20	Total Transmission Investment		\$ 38,661,597	Sum Lines 18 + 19
21	Allocation Factor		100.0000%	Line 17 / Line 20

Cambridge Electric Light Company Support Expense & Revenue Detail Cost Year: 2005 Sheet 6

Col 1	Col 2	Col 3 Tariff	Col 4	Col 5 Includable	Col 6		
Line	Description	Section	Amount	Amount	Reference		
1	Load Dispatching (561)	II.G					
2	Load Dispatching Total	11.0	544,470	544 470	Page 321.84b		
3	ISO-NE Scheduling and Dispatch Costs (561140)		(502,725)	(502,725)	1450 321.010		
4	Total Annual Cost		41,745	41,745	Sum Lines 2 thru 3		
•	Total Filmidal Cost			,			
5	Transmission Support Revenues	II.J					
6	Other Operating Revenues (456010)		(27,849)	-			
7	DSM Incentive (456017)		(391,574)	-			
8	Acct Reactivation Revenue (456102)		(440)	-			
9	Transmission Charges - Muni (456122 Belmont)		(1,031,006)		Remaining amount credited in 13.8kV		
10	Transmission Charges - Muni (456122 MBTA)		(200,274)	(72,216)	Remaining amount credited in 13.8kV		
11	Cancel Small Final Customer Balance (456470)		71	-			
12	Customer Goodwill Adjustment (456575)		2,355	-			
13	HQ Energy Line Usage (456490)		(113,511)	-	n *		
14	RNS Transmission Revenue (456690)		(3,708,287)	-	See Line 46		
15	PAM Return on Prepaid and Deferal (456770)		33,000	-			
16	Bad Check Charge Revenue (456780)		(7,816)	-			
17	Call Center Adjustments (456810)		1,559	-			
18	DTE Adjustments (456820)		6	-			
19	Prudential Sub lease (456830)		(65,576)	-			
20 21	Power System Services Revenue (456850)		(1,351)	-			
	Interval Data Revenue (456980)		¢ (5.510.602)	e (240,270)	D 200 211 - S L' 21		
22	Total Short Term & Non-Firm PTP Revenues		\$ (5,510,693)	\$ (340,278)	Page 300.21b; Sum Lines 6 thru 21		
23	Transmission Support Expense (565)	II.K					
24	Boston Edison		\$ 3,634,500	\$ 3,634,500	Page 332.1h		
25	Canal Electric Co						
26	Hydro Quebec 1 (565170-72 + 565170-73)		116,186	-			
27	Hydro Quebec 2 DC (565170-71)		464,580	-			
28	Hydro Quebec 2 AC (565170-74 + 565170-75 + 565170-76)		139,358	139,358			
29	Total Canal		720,125	139,358	Page 332.3h		
30	Commonwealth Electric Company		289,081	289,081	Page 332.5h		
31	ISO		22,315,887		Page 332.6h		
32	Total Transmission Support Expense		\$ 26,959,593	\$ 4,062,939	Page 332.Total.h; Sum Lines 24, 29, 30, 31		
33	Transmission Rents Received from Electric Property (454)	II.M					
		11.1V1	¢ (12.171)	¢			
34 35	Assoc Co Rents (454002) Assoc Co Rents (454130)		\$ (12,171) (770)	5 -			
36	Assoc Co Rents (454170) Assoc Co Rents (454170)		(211)	-			
37	Pole Attachments - CATV (454180)		(18,269)	_			
38	Assoc Co Rents (454717)		(3,000)	_			
39	Assoc Co Rents (454730)		(9)	_			
40	Assoc Co Rents (454735)		(1,217)	_			
41	Assoc Co Rents (454745)		(1,209)	_			
42	Assoc Co Rents (454750)		(1,240)	_			
43	Mirant Kendall (454780)		(500,048)	(500,048)			
44	Rent - Property in Operation (454910)		(76,063)	-			
45	Total Transmission Rents Received		\$ (614,206)	\$ (500,048)	Page 300.19b; Sum Lines 34 thru 44		
46	Regional Network Services Revenues	II.O	(3,708,287)		See Line 14		
47	RNS PTF Post 2003 Investment 1% Adder		\$ -	\$ -	RNS COS, Page 3, Line 26, Col. c		
48	RNS PTF RTO Participation 0.5% Adder			2,513	RNS COS, Page 3, Line 47, Cols. b+c		
49	Regional Network Services Revenues		\$ (3,708,287)	\$ (3,705,774)	Sum Lines 46 thru 48		
50	ISO-NE Scheduling & Dispatch Revenue	II.Q					
51	Nepool Scheduling & Dispatch Revenue (456920)		\$ -	\$ -			
	1						

Cambridge Electric Light Company Cost of Long Term Debt Cost Year: 2005 Sheet 7

Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8	Col 9	Col 10	Col 11	Col 12	Col 13	Col 14	Col 15	Col 16
										Total	Call	Net			
	Lo	ng Term Deb	ot			Principal	Sinking	Pro Forma		Debt	Premium	Proceeds			
			Term	Coupon	Original	Amount	Fund	Amount	Percent	Disc &	on	to	Cost to	Weighted	
	Series	Dated	(Years)	Rate	Issue	Outstanding	Requirement	Outstanding	of Total	Exp	Debt	Company	Maturity	Cost	Reference
					·			Col 7 - Col 8	Col 9 /			Col 6 - Col 11 -	Col 4 + ((Col 11 + Col 12)	Col 10 *	
									Col 9 Total			Col 12	/	Col 14	
1	Series H - 8.70%	03/01/92	15	8.70%	\$ 5,000,000	\$ 5,000,000	\$ -	\$ 5,000,000	20.00% \$	49,431	\$ -	\$ 4,950,569	8.77%	1.75%	Page 256 & 257, Line 4
2	Senior Note - 7.62%	11/24/99	15	7.62%	20,000,000	20,000,000		20,000,000	80.00%	149,269		\$ 19,850,731	7.67%	6.14%	Page 256 & 257, Line 7
3	Total				\$ 25,000,000	\$ 25,000,000	\$ -	\$ 25,000,000	100.00% \$	198,700	\$ -	\$ 24,801,300		7.89%	

D.T.E. 06-40

Information Request: **RESA-1-4**

July 28, 2006

Person Responsible: Christine L. Vaughan

Page 1 of 1

Information Request RESA-1-4

Refer to pages 13-14 of Exhibit NSTAR-CLV-1. Please provide a complete explanation of NSTAR's contention that price differences between NEMA and SEMA zones are "expected to be minimal and declining in the future" and any NSTAR analyses that support such a conclusion.

Response

The reason that the price differential between the NEMA and SEMA zones is expected to be minimal and declining in the future is largely based on the impact of the construction of Boston Edison's 345 kV transmission line (both Phase 1 and 2), as well as additional (NEMA) regional transmission system upgrades that are scheduled to occur in the near future. Please refer to the response to Information Request DTE-1-23.